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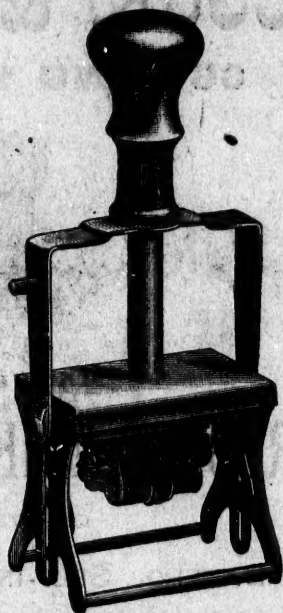
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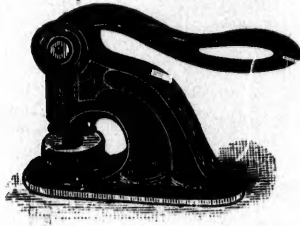
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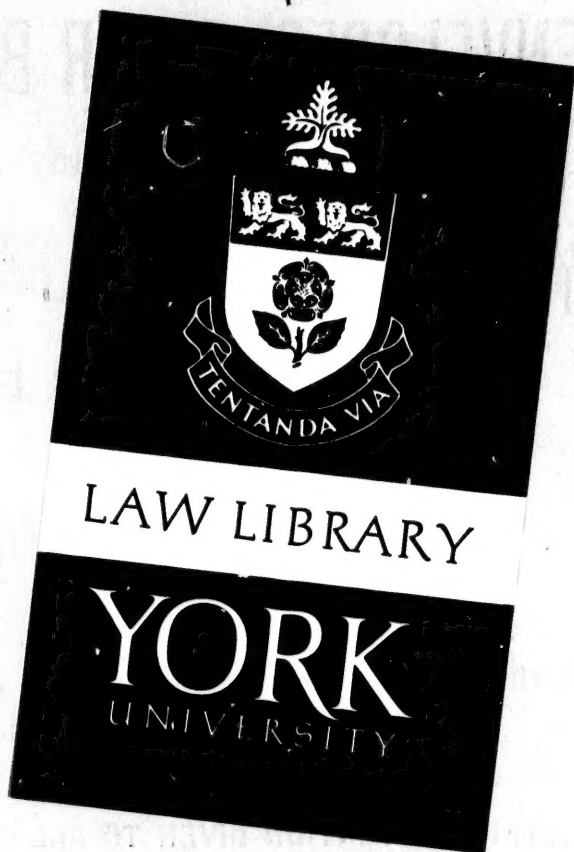
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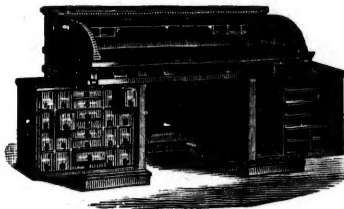
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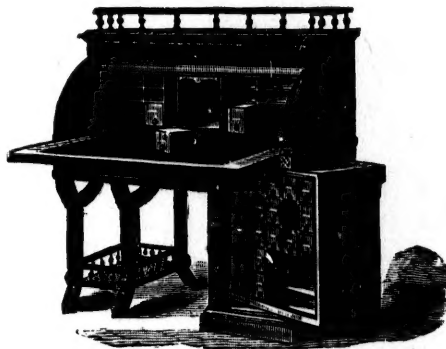
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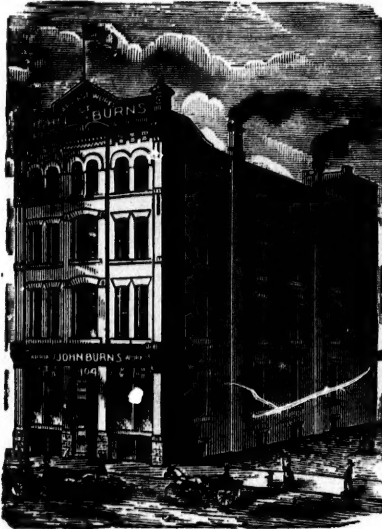
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UNDER THE

Acts of the Province of Ontario

AND THE

DOMINION OF CANADA,

RELATING TO THE FORMATION OF

JOINT STOCK COMPANIES BY LETTERS PATENT,

TOGETHER WITH

INFORMATION RESPECTING THE ORGANIZATION, MANAGEMENT, CARRYING ON AND WINDING UP OF SUCH COMPANIES,

And a number of *Forms and By-laws* suitable for the use thereof.

BY

J. D. WARDE,

OF THE PROVINCIAL SECRETARY'S DEPARTMENT, TORONTO.

THIRD EDITION, REVISED AND ENLARGED,

Toronto:

HUNTER, ROSE & COMPANY.

1888.

This Little Work

IS,

BY KIND PERMISSION, RESPECTFULLY INSCRIBED

TO

THE HONOURABLE ARTHUR STURGIS HARDY, Q.O., M.P.P.,

SECRETARY OF THE PROVINCE OF ONTARIO,

BY

The Author.

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PREFACE TO FIRST EDITION.

Having for some years, in connection with his duties in the Provincial Secretary's Department, had charge of the applications for charters under the *Ontario Joint Stock Companies' Letters Patent Act*, and noticing the small percentage of such applications that were in proper form, it occurred to the writer that a work containing practical information respecting the steps to be taken in the formation, incorporation and management of a Joint Stock Company would be of advantage as well to intending applicants and the general public, as to Directors, Shareholders and Officers of existing companies. With this object in view, the following pages have been prepared. They contain such of the Acts of the Legislature of Ontario relating to the formation of Joint Stock Companies, with explanatory notes, as it was thought desirable or necessary to give in a work of this size. A table of forms, suitable for use in the incorporation and management of a company, together with copies of the Letters Patent and Supplementary Letters Patent, as now issued, has been added. Chapter 150 of the Revised Statutes of Ontario has been taken as the basis of the work, and for convenience it has been divided into Chapters or heads.

The writer is indebted to George E. Lumsden, Esq., Assistant Provincial Secretary, for some valuable suggestions as to the preparation of the work. He trusts it may be found of use, not only to members of the legal profession, but to all interested in Joint Stock Companies.

J. D. W.

Toronto, July, 1884.

PREFACE TO THE THIRD EDITION.

The favourable opinions expressed regarding the usefulness of this work are exceedingly gratifying to the author.

The Revision of the Statute Law of Ontario which has just been completed rendered another edition necessary, and the occasion has been taken advantage of to add to the work new and practical subjects, including the Dominion Act respecting the incorporation of companies, the Ontario Act respecting the winding up of Joint Stock companies, a full set of By-laws, hints as to the duties of Directors and Auditors, the price of shares, etc., etc.

The writer wishes to thank E. F. B. Johnston, Esq., Deputy Attorney-General, for his kindness in revising certain portions of the work.

J. D. W.

May, 1888.

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TO DECREASE THE CAPITAL STOCK.

The same forms are necessary as for increasing the capital, and those given for that purpose may be adapted.

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To re-incorporate a company under the 72nd and 73rd sections ;
to subdivide the shares ; extend powers ; limit or increase
the amount that may be borrowed on debentures, or other-
wise ; or provide for the formation of a reserve fund, forms
may be adapted from those given above.

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INTRODUCTORY.

A Joint Stock Company is an Association of a number of individuals for the purpose of carrying on some legitimate business—each member subscribes and pays for shares in the capital stock and the responsibility of shareholders for the liabilities of a company does not extend beyond the amount of stock subscribed for. If that be paid up in full no further calls can be made; if not fully paid up, shareholders can be compelled to pay in full the sum of the shares subscribed for. This liability is known as "Limited Liability," and is the position shareholders in Joint Stock companies, other than Banks, occupy.¹

The first step usually taken in the formation of a company is the publication of a Prospectus. This, though a common, is not an essential, preliminary to the promotion and formation of a company. The Prospectus is intended to set forth to the public such details of the proposed scheme as will enable them to judge of the advisability, or otherwise, of taking part in it. It should be short and pointed. As a heading it should have the name and capital of the company. Its advantages, prospects and the plan on which it is proposed to be worked should be stated. An Application for Shares is usually appended.

Subscription of stock may then be secured by means of the stock book as given at page 69. The use and value of this book is so apparent that it is unnecessary to say more than that it binds and makes responsible the subscribers thereto. When a sufficient amount of stock has been subscribed select

¹The position of shareholders in Banks differs from this and may be described by the term "Double Liability" that is—the owner of five paid up shares of one hundred dollars each would, in the event of the Bank's failure, be liable to be called upon to pay in five hundred dollars in addition to the money already invested.

Form 1, *Post*,

a small number, not less than five, of the shareholders who are to be the applicants for the charter. Then prepare the notice for the *Ontario Gazette* and the other forms required for obtaining incorporation, as given at page 12. If these proofs are satisfactory to the Provincial Secretary's Department, the charter will issue in due course. Instalment lists and scrip should be prepared for receipt of calls on the stock, and a set of By-laws for the government of the company drawn up in the form given at page 90. The charter having been obtained and these preliminary matters settled, it is competent to the company to commence business forthwith.

Parties having business to transact with the Provincial Secretary's Department will save time and trouble by paying attention to the following directions.

All communications on official business should be addressed to

The Honourable

The Provincial Secretary,

Toronto,

and the postage must be prepaid. Letters marked O. H. M. S. are usually sent to the Dead Letter Office.

The forwarding of any paper should always be accompanied by a letter, each letter should be confined to one subject, the post office address and date should be given, and the signature distinctly written.

It is particularly recommended that reference should be made to the law, where accessible, before writing on any subject to the Department, in order to avoid unnecessary explanations and useless loss of time and labor.

It must be remembered that the better papers are executed, the sooner the work is despatched at the office.

The use of foolscap paper in preparing applications for Letters Patent, etc., is strongly recommended, as being much more convenient than larger sheets.

The Joint Stock Companies' Act declares that no steps shall be taken in any Department towards the issue of any Letters Patent or Supplementary Letters Patent *until after all fees* therefor have been duly paid.

Remittances, including, where necessary, charges for collection, must be made by registered letter, or they are at the

risk of the sender. Post office orders, accepted bank-cheques and drafts must be drawn payable to the order of the Provincial Secretary.

Notices for publication in the *Ontario Gazette* should be addressed to

The Business Manager,
The *Ontario Gazette*,
Toronto, Ont.

and should indicate the number of insertions required. The rates are eight cents per line for the first insertion, and two cents per line for each subsequent insertion. The charge for a single number of the *Gazette* is ten cents. Advertisers desiring one or more copies to be furnished them should remit to the manager at this rate.

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CHAPTER I.

FORMATION AND INCORPORATION OF COMPANIES.

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| 2. INTERPRETATION OF ACT. | 10. LIEUTENANT GOVERNOR MAY CHANGE NAME. |
| 3. GRANTING POWERS TO COMPANIES INCORPORATED UNDER IMPERIAL ACTS. | 11. CERTAIN INFORMALITIES NOT TO INVALIDATE LETTERS PATENT. |
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| 7. EVIDENCE OF PETITION, NOTICES, &c. | 15. POWERS TO BE SUBJECT TO ACT. |
| 8. THE LETTERS PATENT. | |

An Act respecting the incorporation of Joint Stock Companies by Letters Patent.

(Cap. 157, Revised Statutes of Ontario.)

HER Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows :—

1.—CITATION.

1. This Act may be cited as "*The Ontario Joint Stock Companies' Letters Patent Act.*"

2.—INTERPRETATION OF ACT.

2. Where the words following occur in this Act, and in all letters patent and supplementary letters patent issued under the same, they shall be construed in the manner hereinafter mentioned unless a contrary intention appears.

1. "The letters patent" shall mean the letters patent incorporating a company for any purpose contemplated by this Act;

2. "The supplementary letters patent" shall mean any letters patent granted to the company subsequent to the letters patent, incorporating the company;

3. "The company" shall mean the company so incorporated by letters patent;

4. "The undertaking" shall mean the whole of the works and business of every kind which the company is authorized to carry on;

5. "Real estate" or "land" shall include all immovable real property of every kind;

6. "Shareholder" shall mean every subscriber to, or holder of, stock in the company; and extend to, and include, the personal representatives of the shareholder.

3.—GRANTING POWERS TO COMPANIES INCORPORATED UNDER IMPERIAL ACTS.

3.—1. In case a corporation, now or hereafter incorporated under the laws of the Imperial Parliament of Great Britain and Ireland, desires to carry on any of its business within the Province of Ontario, the Lieutenant-Governor in Council may, by letters patent under the Great Seal of the Province, grant to such company, and such company may thenceforth use, exercise, and enjoy within the Province, any powers, privileges and rights set forth in the letters patent, as desired in or for carrying on the business of the company, and which it is within the authority of the Lieutenant-Governor in Council to grant to a company under this Act.

2. No such letters patent shall be issued until such corporation has deposited in the Office of the Provincial Secretary a true copy of the Act of Parliament, charter or other instrument incorporating the said company, verified in the manner which may be satisfactory to the Lieutenant-Governor in Council.

3. The letters patent referring to such Act, charter or other instrument as aforesaid, or a copy of such Act, charter or other instrument aforesaid certified under the hand of the Provincial Secretary, shall be sufficient evidence, in any proceeding in any court in this Province, of the incorporation of the company.

4. This section shall not apply to matters provided for by chapter 168 of these Revised Statutes.

4—HOW INCORPORATED.

4. The Lieutenant-Governor in Council may, by letters patent under the Great Seal, grant a charter to any number of persons, not less than five, who shall petition therefor, constituting such persons and others who may become shareholders in the company thereby created, a body corporate and politic, for any purposes or objects to which the legislative authority of the Legislature of Ontario extends, except the construction and working of Railways, and the business of Insurance, other than as provided by Section 4 of the *Ontario Insurance Act*.

The power hereby given is entirely discretionary. Although all the requirements of the law have been complied with, the charter may be refused. There is no absolute right to claim the grant of Letters Patent. When the charter is granted, it is on the express condition that it may be revoked by the Lieutenant-Governor in Council on sufficient grounds being shown, such as fraud, continued mismanagement, engaging in improper objects or works, and generally such conduct as may be deemed injurious to the public interest. All charters are subject to revocation, but in order to call the attention of the corporators more directly to the point, a clause is now introduced expressly stating this fact.

No conditions as to any of the applicants being residents of the Province of Ontario are imposed by this or any other section of the Act.

It is undesirable that the number of applicants be large, as this causes unnecessary expense in the publication of the notice.

The British North America Act provides that the Legislature of Ontario may exclusively make laws in relation to matters coming within the following classes of subjects :—

Sub-sec. 10. Local works and undertakings other than such as are of the following classes :—

- (a) Lines of steam or other ships, Railways, Canals, Telegraphs and other works and undertakings connecting the Provinces or extending beyond the limits of the Province ;
- (b) Lines of steam ships between the Province and any British or Foreign country ;
- (c) Such works as although wholly situate within the Province, are before or after their execution declared by the Parliament of Canada to be for the general advantage of Canada or for the advantage of two or more of the Provinces.

Sub-sec. 11. The incorporation of companies with provincial objects.

Sub-sec. 16. Generally all matters of a merely local or private nature in the Province.

FORMS FOR OBTAINING INCORPORATION BY LETTERS PATENT.

Notice in *Ontario Gazette* of intention to apply for letters

patent	Form No. 5.
Affidavit proving publication of notice in <i>Gazette</i>	" 6.
Petition for letters patent.	" 7.
Power of Attorney to sign petition, etc., etc.	" 8.
Affidavit verifying power of Attorney.	" 9.
Affidavit verifying signatures to petition.	" 10.
Affidavit verifying petition.	" 6.
Affidavit as to name of Company.	" 6.
Stock book.	" 11.
Affidavit verifying signatures to stock book.	" 12.
Affidavit verifying copy stock book.	" 13.

5.—NATURE OF APPLICATION.

5. The name of the Province of Ontario or of some locality therein shall constitute part of the name of every company incorporated under this act, except in cases where the Lieutenant-Governor in Council otherwise directs.

6. The applicants for the letters patent must, for at least four consecutive weeks, give notice in the *Ontario Gazette*, of their intention to apply for the same, stating therein :

(a) The proposed corporate name of the company, which shall not be that of any other known company, incorporated or unincorporated, or any name liable to be unfairly confounded therewith, or otherwise on public grounds objectionable ;

(b) The object for which its incorporation is sought ;

(c) The place or places within the Province of Ontario, where its operations are to be carried on with special mention if there be two or more such places, of some one of them as the chief place of business ;

(d) The amount of capital stock ;

(e) The number of shares and amount of each share ;

(f) The names in full and the address and calling of each of the applicants, with special mention of the names of not

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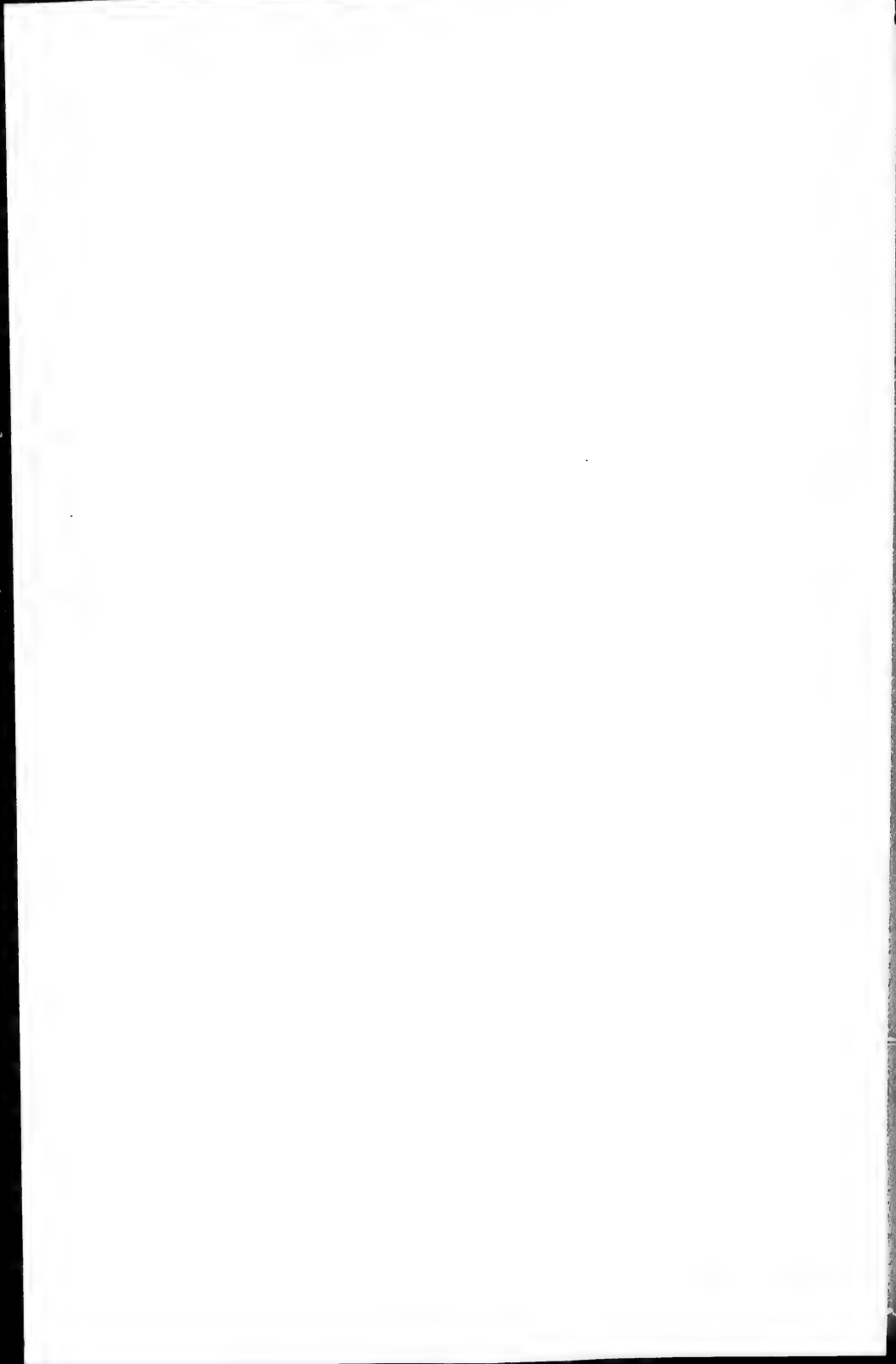
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less than three of their number, who are to be the first Directors of the Company.

Notice.—The notice must be inserted in at least four consecutive numbers of the *Ontario Gazette*. Where the amount of the capital stock does not exceed \$3,000, or under the circumstances set forth in Section 8,¹ the notice may be dispensed with.² This rule does not apply to Slide, Dam and Boom Companies.³ The object of the notice⁴ is to afford interested parties an opportunity to notify the Provincial Secretary of the grounds, if any, upon which they object to the granting of a charter.

Name.—Every incorporated company or trading corporation must have a name by which it may sue and be sued, enter into contracts, make and receive grants and perform all legal acts. Such a name is the "very being of its constitution, the knot of its combination." No alteration can be made in its name by the corporate body itself; if this is desired application must be made to the Lieutenant-Governor in Council. The name should be as short as possible consistent with expressing generally the nature of the company, and should, except in cases where the Lieutenant-Governor in Council otherwise directs, contain the name of the Province of Ontario, or some locality therein, as part thereof, as for instance:—"The Ontario Car Company," "The Steel Association of Ontario," "The Hamilton Canning Company," "The Victoria Skating Rink Company of Brantford," "The Brighton Dairy Company," "The McCormack Manufacturing Company of London (Limited)," etc. The word "Limited" must be added to every corporate name wherein the name of a person is used—as for instance, "The E. Harris Company of Toronto (Limited)." The use of the word "Canada," "Canadian," "Dominion" or "International," or any word signifying more than provincial objects, is not allowed. For the use of "Royal," the consent of the Queen is required.

Object.—This may be any object within the legislative authority of the Legislature of Ontario except the construction and working of railways and, within certain limits, the business of insurance; by R.S.O. cap. 161, Sec. 80, provision is made for changing Mutual Insurance Companies into Joint Stock Companies under R.S.O., Cap. 157. The definition of the powers sought should be clear and concise. It is now contrary to the policy of the government to grant a company power to carry on more than one business under one charter; if other powers are desired, it must be shown that they are *incidental* and *necessary* to the due carrying out of the *chief* object for which letters patent are required.

Post.

Vide section 9. *post.*

Vide sec. 7, cap 160, R. S. O.

Form No. 5, *post.*

Operations of the Company.—These may be carried on at any place, or places, within the Province.

Chief Place of Business.—This may, or may not, be at the same place as that at which the operations of the company are to be carried on, thus, a company carrying on its operations in the District of Algoma may have its chief place of business (i. e., head office) in the City of Toronto.

Amount of Capital.—The amount of the capital should be sufficient to carry on the business proposed, thus, in the interests of the company, avoiding an application for Supplementary letters patent.

Amount of Shares.—The amount of the Shares will differ according to the nature of the company. If the objects be popular, it may be advisable to make the shares of small amount, with the view of attracting numerous applicants. Shares of large amount cannot be so easily negotiated. The number and value of the shares may be fixed at the company's option. No limit is, by law, placed as to the amount of each share. Sec. 25,¹ provides for the creating and issuing of preference stock which shall have preference and priority, as respects dividends and otherwise, over ordinary stock. No person can be a holder of a less amount of stock in a company than one share; there appears, however, to be no objection to a firm owning one share.

Care should be taken to give the Christian names of the applicants, in full, with their residences, legal additions or occupations.

Directors.—These must be applicants and shareholders, owning stock absolutely in their own right, and not in arrear in respect of any call thereon.

6.—PETITION AND CONTENTS.

7. At any time, not more than one month after the last publication of the notice, the applicants may petition the Lieutenant-Governor, through the Provincial Secretary, for the issue of the letters patent;

2. The petition must state the facts required to be set forth in the notice, and must further state the amount of stock taken by each applicant, and also the amount, if any, paid in upon the stock of each applicant;

3. The petition must also state whether the amount is paid in cash or by transfer of property, or how otherwise;

4. In case the petition is not signed, all the shareholders whose names are proposed to be inserted in the letters patent, it shall be accompanied by a memorandum of asso-

¹ Post.

ciation, signed by all the persons whose names are to be so inserted, or by their attorneys, lawfully authorized in writing, and such memorandum shall contain the particulars required by the next preceding section;

5. The petition may ask for the embodying in the letters patent of any provision which otherwise under this Act might be embodied in any by-law of the company when incorporated.

The petition must reach the Provincial Secretary not later than one month after the last publication of the notice. If, through the absence of one of the petitioners or from some unavoidable cause, the whole of the papers cannot be completed within the month, the petition should be forwarded and the balance of the papers transmitted immediately upon completion. Where delay does occur, it is usual to require an explanation thereof, and in case more than a month elapses before the petition is presented, an additional insertion of the notice in the *Gazette* is ordinarily accepted, but for special and sufficient reasons the head of the department may dispense with this. No person can be a petitioner unless his name appeared in the notice, and every petitioner must be a shareholder in the proposed company. At least five shareholders must join in the petition.

The petition¹ must in every respect correspond with the notice in the *Gazette*. It should be legibly written, and should state (a) the names in full of the petitioners, with their residences, legal additions or occupations; (b) the proposed name of the Company to be incorporated; (c) its objects; (d) the place or places in Ontario where its operations are to be carried on; (e) its chief place of business; (f) the amount of its capital stock; (g) the number and amount of its shares; (h) the names of at least three directors who must all be shareholders; (i) the amount of stock taken by each of the petitioners, the amounts, if any, paid in thereon, and whether they were paid in cash, by the transfer of property, or how otherwise. The petition should be signed by each of the applicants personally, or if, in any case, by attorney, the power of attorney, duly authenticated, should accompany it. Blank Forms of Petition may be obtained on application to the Secretary's department.

The subscription of stock must be proved by production at the Secretary's Department of the stock book² with the signatures of the subscribers duly verified,³ and a verified copy of such stock book must be

¹Form No. 7, *post*.

²Form No. 11, *post*.

³Form No. 12, *post*.

transmitted therewith, to remain on file in the Department. After comparison, the original is returned to the applicants.

The stock book may, according to the nature of the company, be of any size, from a large volume, to a simple memorandum book. The copy should be made on foolscap paper.

The object of embodying in the letters patent any provision which otherwise might be embodied in any by-law of the company when incorporated is, "to give greater stability to these matters which it may be deemed desirable so to embody and which, as by by-law, would be always subject to change according to the whim or caprice of a majority of the directors."¹

8. Where a notice has been published according to the rules of the Legislative Assembly for an Act incorporating any company, the incorporation whereof is sought for objects for which incorporation is authorized by this Act, and a Bill has been introduced into the Assembly in accordance with such notice, and is subsequently thrown out or withdrawn, then in case a petition to the Lieutenant-Governor for the incorporation under this Act of the company is filed with the Provincial Secretary within one month from the day of the termination of the Session of the Assembly for which the notice was given, the notice may be accepted in lieu of the notice required by section six.

9. The Lieutenant-Governor may dispense with the publication of the notice mentioned in section six in any case in which the capital of the proposed company is three thousand dollars or under.

This is intended to facilitate the formation of companies requiring only a small capital, such as cheese, butter and dairy companies.

7.—EVIDENCE OF PETITION, NOTICE, ETC.

10. Before the letters patent are issued, the applicants must establish to the satisfaction of the Provincial Secretary, or of such other officer as may be charged by order of the Lieutenant-Governor in Council to report thereon, the sufficiency of their notice and petition, and that the proposed

¹Stephens' "Joint Stock Companies," p. 720.

name is not the name of any other known incorporated or unincorporated company.

11.—1. The Provincial Secretary, the Assistant Provincial Secretary, or such other officer, may for the purposes aforesaid, or for any other purpose under this Act, take and keep of record any requisite evidence in writing under oath or affirmation.

2. Proof of any matter which may be necessary to be made under this Act, may be made by affidavit or deposition before the Provincial Secretary, or Assistant Provincial Secretary, or before any Justice of the Peace or Commissioner for taking affidavits, or Notary Public, who are hereby authorized and empowered to administer oaths for that purpose.

Proof as to the notice required having been given must be furnished by affidavit¹ setting forth dates of insertion of such notice, with copy thereof, cut from the *Gazette*, attached. Each signature to the petition must be verified by affidavit² made by the witness. The proof that the corporate name is not that of any other known incorporated or unincorporated company ought to be made by the affidavit of one of the applicants, a resident of this Province, or by a resident attorney or agent.³ From the nature of the subject such affidavit cannot be positive and should be expressed to be made to the best of the knowledge and belief of the declarant.

8.—THE LETTERS PATENT.

12. The letters patent shall recite such of the material averments of the notice and petition so established as the Lieutenant-Governor may find convenient to insert therein, and the Lieutenant-Governor, may, if he thinks fit, give to the company a corporate name different from the name proposed by the applicants in the published notice; and the objects of the company as stated in the letters patent may vary from the objects stated in the said notice, provided the objects of the company as stated in the letters patent, are of a similar character to those contained in the notice published as aforesaid.

¹ Form 6, *post*.

² Form 10, *post*.

³ Form 6, *post*.

In case a company has given notice under a name to which reasonable objection has been, or may be, taken, this clause provides for avoiding the delay that would be caused by giving a new notice.

A copy of the form of letters patent is given hereafter.¹

9.—NOTICE OF GRANTING LETTERS PATENT.

13. Notice of the granting of the letters patent shall be forthwith given by the Provincial Secretary, in the *Ontario Gazette*, in the form of the schedule A to this Act; and from the date of the letters patent the persons therein named and their successors shall be a body corporate and politic by the name mentioned therein.

This notice is inserted in the *Gazette* without charge to the applicants.

10.—LIEUTENANT-GOVERNOR MAY CHANGE NAME.

14. In case it is made to appear that any company is incorporated under a name, the same as or similar to, that of an existing company, it shall be lawful for the Lieutenant-Governor in Council to direct the issue of Supplementary letters patent reciting the former letters, and changing the name of the company to some other name to be set forth in the Supplementary letters patent; and no such alteration of name shall affect the rights or obligations of the company; and all proceedings may be continued and commenced by or against the company by its new name, that might have been continued or commenced by or against the company by its former name.

2. The High Court may compel an application under this section whenever a company improperly assumes the name of, or a name similar to, that of an existing company.

The company whose name is thus changed is that last incorporated, the earlier company having a right to retain its name, while no company subsequently incorporated has a right to assume a name so similar to that of an existing company as to endanger one being mistaken for the other.

Thus in *Holmes v. Holmes Manufacturing Company*, in the United States, it was decided, that where the name of a manufacturing cor-

¹ Form 34, *post*.

poration had been used to designate the origin and ownership of the goods manufactured by it, such use of its name would be protected to the same extent, and upon the same principle that individuals are protected in the use of trade marks.¹

11.—CERTAIN INFORMALITIES NOT TO INVALIDATE LETTERS PATENT.

15. The provisions of this Act relating to matter preliminary to the issue of the letters patent shall be deemed directory only; and no letters patent or supplementary letters patent issued under this Act shall be held void or voidable, on account of any irregularity in any notice prescribed by this Act, or on account of the insufficiency or absence of such notice, or on account of any irregularity in respect of any other matter preliminary to the issue of the letters patent or supplementary letters patent.

12.—GENERAL POWERS.

16. Every company so incorporated may acquire, hold, alienate and convey real estate subject to any restrictions or conditions in the letters patent set forth, and shall forthwith become and be invested with all rights, real and personal, heretofore held by or for the company under a trust created with a view to its incorporation, and with all the powers, privileges and immunities requisite to the carrying on of its undertaking, as though the company had been incorporated by a special Act of the Legislature making the company a body politic and corporate and embodying all the provisions of this Act, and of the letters patent.

13.—CHANGE OF NAME OR CONSTITUTION.

By Sec. 7 of Cap. 178, entitled an "Act respecting the Changing of the Names of Incorporated Companies," that Act is declared to apply to any company incorporated under the Joint Stock Act, if such company has made or makes an application thereunder. In such case the following steps are necessary :

¹ Stephens, p. 147.

The company should petition the Lieutenant-Governor in Council, setting forth the facts, and stating :

1. That the company is desirous of changing its name from . . . to
2. That the proposed name is not the name of any other known incorporated or unincorporated company.
3. That the company is in a solvent condition.
4. That the change desired is not for any improper purpose.

If the applicants are a trading corporation or company carrying on a business for profit.

5. That notice¹ of the intention of the company to apply for a change of name has been inserted for four weeks in the *Ontario Gazette*, and in a newspaper published in the locality in which the operations of the company are carried on.

These facts should be verified by affidavit. The petition should be signed by the president and secretary, and sealed with the company's seal. Evidence of the solvency of the company should be furnished by a balance-sheet or other satisfactory statement of the affairs thereof.

FORMS FOR CHANGING THE NAME OF A COMPANY.

Notice in *Ontario Gazette* of intention to apply for an

Order-in-Council changing corporate name.	Form No. 28.
Notice in local newspaper of same.	" 28.
Affidavit proving publication of notice in <i>Ontario Gazette</i>	" 29.
Affidavit proving publication of notice in local newspaper.	" 29.
Petition for change of name.	" 30.
Affidavit verifying same.	" 31.
Affidavit verifying signatures to petition.	" 32.
Evidence of Company's solvency.	" 33.

17. The directors of the company may at any time make a by-law sub-dividing the existing shares into shares of smaller amount.

18. The directors of the company, at any time after nine-tenths of the capital stock of the company has been taken up, and ten per centum thereupon paid in, but not sooner, may make a by-law for increasing the capital stock of the company to any amount which they consider requisite for the due carrying out of the objects of the company ;

The by-law² shall declare the number and value of the shares of the new stock, and may prescribe the manner in

¹ Form 28, *post*.

² Form 14, *post*.

which the same are to be allotted, otherwise the control of such allotment shall be held to rest absolutely in the directors.

FORMS TO INCREASE THE CAPITAL STOCK.

By-law passed by the Directors.	Form No. 14.
Affidavit verifying same and proving sanctioning thereof	" 15.
By-law of Company regulating calling of general meeting	" 16.
Affidavit verifying by-law	" 17.
Notice in local newspaper	" 18.
Affidavit verifying same.	" 19.
Notice in <i>Ontario Gazette</i>	" 18.
Affidavit verifying same.	" 20.
Affidavit proving due calling of meeting.	" 19.
Affidavit proving due calling of general meeting where no by-law for the purpose has been passed	" 20.
Petition for Supplementary Letters Patent.	" 21.
Affidavit verifying signatures to petition.	" 22.
Notice in <i>Ontario Gazette</i> of application for Supplemen- tary letters patent.	" 23.
Affidavit verifying same.	" 24.
Affidavit respecting <i>bona fide</i> character of increase.	" 25.

19. With regard to the increase of the capital stock of any company incorporated under the Act authorizing the granting of charters of incorporation to manufacturing, mining and other companies, passed in the 27th and 28th years of the reign of Her Majesty, chaptered 23, the incorporation of which is subject to the control of the Legislature of Ontario, the Provincial Secretary, or such other officer as may be named for the purpose, is not bound to sign the notice mentioned in sub-section 18 of section 5 of the said Act, and is to exercise his discretion in respect of the same, in view of all the facts, and subject to the direction of the Lieutenant-Governor in Council. This section is to be construed as declaratory of the intent, meaning and effect of the said sub-section.

20. The directors of the company, if they see fit at any time, may make a by-law for decreasing the capital stock of the company to any amount which they may consider suffi-

cient for the due carrying out of the undertaking of the company, and advisable ;

TO DECREASE THE CAPITAL STOCK.

The same forms are necessary as for increasing the capital, and those given for that purpose may be adapted.

2. The by-law shall declare the number and value of the shares of the stock as so decreased ; and the allotment thereof, or the rule or rules by which the same is to be made ;

3. The liability of shareholders to persons who were, at the time of the reduction of the capital, creditors of the company, shall remain as though the capital had not been decreased.

21. No by-law for increasing or decreasing the capital stock of the company, or sub-dividing the shares, shall have any force or effect until after it has been sanctioned by a vote of not less than two-thirds in value of the shareholders at a general meeting of the company duly called for considering the same, and afterwards confirmed by supplementary letters patent.

22. At any time not more than six months after the sanction of such by-law, the directors may petition¹ the Lieutenant-Governor, through the Provincial Secretary, for the issue of supplementary letters patent to confirm the same :

2. With the petition they shall produce the by-law, and establish to the satisfaction of the Provincial Secretary, or of such other officer as may be charged by order of the Lieutenant-Governor in Council to report thereon, the due passage and sanction of the by-law, and if the petition is in respect of increase or decrease of capital, the *bona fide* character of the increase or decrease of capital thereby provided for, and except as herein otherwise provided that no-

¹Form No. 21, *post*.

tice of the application for supplementary letters patent has been inserted for four consecutive weeks in the *Ontario Gazette*;

3. Where the capital of the company, or such capital as increased, does not exceed three thousand dollars, the Lieutenant-Governor may dispense with the insertion in the *Ontario Gazette* of a notice of the application.

Proof of the By-law having been duly passed by the directors and sanctioned by a vote of two-thirds in value of the shareholders, together with the dates of the making and sanctioning thereof, and of the meeting having been duly called, must be furnished by affidavit. The original by-law must be produced by the directors with their petition. When the capital is increased, the new shares must be of the same amount as the old. A copy of the company's by-law, if any, regulating the calling of general meetings and of the notice calling the meeting, duly verified, should be furnished.

In case of the increase or decrease of capital, the *bona fide* character of the same should also be proved by affidavit. Proof of the notice having been given in four issues of the *Ontario Gazette* must be furnished by affidavit setting forth the dates of such notice with a copy thereof, cut from the *Gazette*, attached.

The notice may be dispensed with in the case of a company whose capital, or such capital as increased, does not exceed \$3,000.

35. A company incorporated under this Act may by By-law increase or decrease the number of its directors, or may change the company's chief place of business in Ontario.

2. No By-law for either of the said purposes shall be valid or acted upon unless it is sanctioned by a vote of not less than two-thirds in value of the shareholders present, in person or by proxy, at a general meeting duly called for considering the By-law, nor until a copy of the By-law has been certified under the seal of the company to the Provincial Secretary, and also has been published in the *Ontario Gazette*.

A copy of the company's by-law, if any, regulating the calling of general meetings and of the notice calling the meetings, duly verified, should be furnished.

Proof that the by-law was properly sanctioned and that the meeting was duly called must be given by affidavit. A copy of the By-law

under the company's seal and duly verified must be transmitted to the Provincial Secretary, with proof that the By-law was published once in the *Ontario Gazette*. A copy of the notice, cut from the *Gazette*, must be attached thereto.

FORMS TO INCREASE THE NUMBER OF DIRECTORS.

By-law of Directors increasing their number	Form No. 26.
Affidavit verifying by-law, proving sanctioning of same and publication thereof in <i>Ontario Gazette</i>	" 15.
By-law of Company regulating the calling of a general meeting	" 16.
Affidavit verifying same.	" 17.
Notice in local newspaper calling general meeting.	" 18.
Affidavit verifying same.	" 19.
Notice in <i>Ontario Gazette</i> calling meeting	" 18.
Affidavit verifying same.	" 20.
Affidavit proving due calling of meeting.	" 19.
Notice of publication of by-law in <i>Ontario Gazette</i>	" 27.

TO DECREASE THE NUMBER OF DIRECTORS.

The same forms are necessary as for increasing, and those given above may be adapted.

FORMS FOR REMOVING CHIEF PLACE OF BUSINESS.

By-law of Directors for removal.	Form No. 14.
Affidavit verifying by-law, proving sanctioning of same and publication thereof in <i>Ontario Gazette</i>	" 15.
By-law of Company regulating the calling of a general meeting	" 16.
Affidavit verifying same.	" 17.
Notice in local newspaper calling general meeting.	" 18.
Affidavit verifying same.	" 19.
Notice in <i>Ontario Gazette</i> calling general meeting.	" 18.
Affidavit verifying same.	" 20.
Affidavit proving due calling of meeting.	" 19.
Notice publishing by-law in <i>Ontario Gazette</i>	" 27.

26. In case a resolution, authorizing an application to the Lieutenant-Governor therefor, is passed by a vote of not less than two-thirds in value of the shareholders present in person or by proxy at a general meeting of the company, duly called for considering the subject of such resolution, the Lieutenant-Governor in Council may from time to time direct the issue of supplementary letters patent to the company, embracing any or all of the following matters :—

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atters :—

1. Extending the powers of the company to any objects, within the scope of this Act, which the company may desire ;

This does not empower companies to obtain supplementary letters patent for objects totally different from those set out in the original charter. There must be some degree of similarity in the new objects as compared with the former. For instance, a company known as the "London Creamery Company" could not by supplementary letters and under the same name acquire the right to do a mining business.

2. Limiting or increasing the amount which the company may borrow upon debentures or otherwise ;

3. Providing for the formation of a reserve fund ;

4. Varying any provision contained in the letters patent, so long as the alteration desired is not contrary to the provisions of this Act ;

5. Making provision for any other matter or thing in respect of which provision might have been made by the original letters patent.

27. The Lieutenant-Governor may, by Order in Council, to be notified in the *Ontario Gazette*, direct in what cases notice of application for supplementary letters patent shall be given in the *Gazette* or otherwise, and the nature of such notice, and he may in any case dispense with notice.

To reincorporate a Company under the 72nd and 73rd sections ; to sub-divide the shares ; extend powers ; limit or increase the amount that may be borrowed on debentures or otherwise ; or provide for the formation of a reserve fund, forms may be adapted from those already given.

14.—SUPPLEMENTARY LETTERS PATENT.

23. Upon due proof so made the Lieutenant-Governor in Council may grant such supplementary letters patent¹ under the Great Seal ; and notice thereof shall be forthwith given by the Provincial Secretary in the *Ontario Gazette*, in the form of the schedule B to this Act ; and thereupon, from the date of the supplementary letters patent, the

¹Form No. 34, post.

shares shall be sub-divided, or the capital stock of the company shall be and remain increased, or decreased, as the case may be, to the amount, in the manner, and subject to the conditions set forth by such by-law; and the whole of the stock, as so increased or decreased, shall become subject to the provisions of this Act, in like manner (so far as may be) as though every part thereof had formed part of the stock of the company originally subscribed.

24. Sections 18 and 20 to 23 of this Act shall apply to every company which has been incorporated by a special Act for purposes or objects within the scope of this Act.

15.—POWERS TO BE SUBJECT TO ACT.

28. All powers given to the company by the letters patent, or supplementary letters patent, shall be exercised subject to the provisions and restrictions contained in this Act.

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CHAPTER II.

ORGANIZATION AND MANAGEMENT.

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|-------------------------|-------------------------------------|
| 1. DIRECTORS. | 4. BY-LAWS. |
| 2. MEETINGS. | 5. BOOKS TO BE KEPT. |
| 3. POWERS OF DIRECTORS. | 6. STATEMENT OF AFFAIRS TO BE MADE. |

1.—DIRECTORS.

29. The affairs of every such company shall be managed by a Board of not less than three directors.

The directors are appointed to direct and manage the affairs of the company; collectively they form a board of directors. To make a legal board of directors they must meet at a time when and a place where every director has the opportunity of attending to consult and be consulted with. They are required to use due diligence and give attention to the concerns of the company, and are bound to a faithful discharge of the duty which the situation imposes. They are liable to the stockholders whenever there has been gross negligence or fraud, but not for unintentional error.¹

30. The persons named as directors, in the letters patent, shall be the directors of the company, until replaced by others duly appointed in their stead.

31. No person shall be elected or appointed as a director hereafter, unless he is a shareholder, owning stock absolutely in his own right, and not in arrear in respect of any call thereon.

32. The after directors of the company shall be elected by the shareholders in general meeting of the company assembled at some place within this province, at such times, in such wise, and for such term, not exceeding two years, as the letters patent, or (in default thereof) the by-laws of the company may prescribe.

33. In default only of other express provisions in such behalf, by the letters patent or by-laws of the company;

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1. Such elections shall take place yearly, all the members of the board retiring, and (if otherwise qualified) being eligible for re-election ;

No By-law for the payment of the president or any director, shall be valid or acted upon until the same has been confirmed at a general meeting.¹

2.—MEETINGS.

In default only of other express provisions in such behalf by the letters patent or by-laws of the company.

2. Notice of the time and place for holding general meetings of the company shall be given at least ten days previously thereto, in some newspaper published at or as near as may be to the office or chief place of business of the company, and also in the case of companies having a capital exceeding \$3,000, either by publishing the same in the *Ontario Gazette*, or by mailing the same as a registered letter, duly addressed to each shareholder, at least ten days previous to such meeting ;

3. At all general meetings of the company, every shareholder shall be entitled to as many votes as he owns shares in the company, and may vote by proxy ;

4. Elections of directors shall be by ballot ;

5. Vacancies occurring in the board of directors may, unless the by-laws otherwise direct, be filled for the unexpired remainder of the term, by the board, from among the qualified shareholders of the company ;

6. The directors shall, from time to time, elect from among themselves, a president of the company ; and shall also name, and may remove at pleasure, all other officers thereof.

34. If at any time an election of directors is not made, or does not take effect at the proper time, the company shall not be held to be thereby dissolved ; but such election may take place at any general meeting of the company duly called for that purpose ; and the retiring directors shall continue in office until their successors are elected.

¹ Vide Sec. 43, post.

39. One-fourth part in value of the shareholders of the company shall at all times have the right to call a special meeting thereof, for the transaction of any business specified in such written requisition and notice as they may issue to that effect.

49. No shareholder being in arrear in respect of any call shall be entitled to vote at any meeting of the company.

3.—POWERS OF DIRECTORS.

36. The directors of the company shall have full power in all things to administer the affairs of the company; and may make, or cause to be made, for the company, any description of contract which the company may by law enter into.

37. The directors may, from time to time, make by-laws not contrary to law, or to the letters patent of the company, or to this Act to regulate—

(a) The allotment of stock; the making of calls thereon; the payment thereof; the issue and registration of certificates of stock; the forfeiture of stock for non-payment; the disposal of forfeited stock and of the proceeds thereof; the transfer of stock;

(b) The declaration and payments of dividends;

(c) The number of directors, their term of service, the amount of their stock qualification;

(d) The appointment, functions, duties and removal of all agents, officers and servants of the company; the security to be given by them to the company; and their remuneration;

(e) The time at which, and place where, the annual meetings of the company shall be held; the calling of meetings, regular and special, of the board of directors, and of the company; the quorum; the requirements as to proxies; and the procedure in all things at such meetings;

(f) The imposition and recovery of all penalties and forfeitures admitting of regulation by by-law; and

(g) The conduct in all other particulars of the affairs of the company;

and may from time to time, repeal, amend or re-enact the same; but every such by-law, and every repeal, amendment or re-enactment thereof, unless in the meantime confirmed at a general meeting of the company, duly called for that purpose, shall only have force until the next annual meeting of the company; and in default of confirmation thereat, shall, at and from that time only, cease to have force; and in that case no new by-law to the same or like effect, shall have any force, until confirmed at a general meeting of the company.

In case a by-law, authorizing the same, is sanctioned by a vote of not less than two-thirds in value, of the said shareholders, then present in person or by proxy, at a general meeting duly called for considering the by-law, the directors may borrow money upon the credit of the company, and issue the bonds, debentures, or other securities of the company, and may sell the said bonds, debentures or other securities at such prices as may be deemed expedient or be necessary; but no such debenture shall be for a less sum than one hundred dollars;

2. The directors may, under the like sanction, hypothecate, mortgage, or pledge the real or personal property of the company, to secure any sum or sums borrowed for the purposes thereof.

4.—BY-LAWS.¹

40. A copy of any by-law of the company, under its seal, and purporting to be signed by any officer of the company, shall be received as *prima facie* evidence of such by-law in all Courts in Ontario.

See also page 29, for powers of directors to make by-laws.

5.—BOOKS TO BE KEPT.

50. The company shall cause a book or books to be kept by the secretary, or by some other officer especially charged with that duty, wherein shall be kept recorded:

¹For set of by-laws suitable for company's use see *infra*.

(a) A copy of the letters patent incorporating the company, and of any supplementary letters patent issued to the company, and of all by-laws thereof;

(b) The names, alphabetically arranged, of all persons who are, or have been shareholders;

(c) The address and calling of every such person while such shareholder;

(d) The number of shares of stock held by each shareholder;

(e) The amounts paid in, and remaining unpaid, respectively on the stock of each shareholder;

(f) All transfers of stock, in their order as presented to the company for entry, with the date and other particulars of each transfer, and the date of the entry thereof; and—

(g) The names, addresses and calling of all persons who are or have been directors of the company; with the several dates at which each person became or ceased to be such director.

53. Such books shall, during reasonable business hours of every day, except Sundays and holidays, be kept open for the inspection of shareholders and creditors of the company, and their personal representatives, at the office or chief place of business of the company; and every such shareholder, creditor, or representative, may make extracts therefrom.

54. Such books shall be *prima facie* evidence of all facts purporting to be thereby stated, in any action or proceeding against the company or against any shareholder.

55. No director, officer or servant of the company, shall knowingly make or assist to make any untrue entry in any such book, or shall refuse or neglect to make any proper entry therein; and any person violating the provisions of this section shall, besides any criminal liability which he may thereby incur, be liable in damages for all loss or injury which any person interested may have sustained thereby.

56. Any director or officer who refuses to permit any person entitled thereto to inspect such book or books, or make extracts therefrom, shall forfeit and pay to the party aggrieved the sum of one hundred dollars; and in case the amount is not paid within seven days after the recovery of judgment, the court in which the judgment is recovered, or a judge thereof, may direct the imprisonment of the offender for any period not exceeding three months, unless the amount with costs is sooner paid.

These sections contain all the provisions of the act directly concerning the books of the company. As a matter of course and necessity, every enterprise of any importance, whether individual or associate, must include books in which a record of its proceedings and of its affairs is kept. But particularly so in connection with Joint Stock enterprises, in which the means of a lesser or greater number of persons taking no active part in the management of its affairs and who are dependent upon such books for a knowledge of its affairs, are involved; and also where the liability of the members individually towards the creditors of the enterprise is limited to the amount unpaid on their shares. These causes together render the keeping of books by Joint Stock Companies a matter of so much importance that the legislature has not only made it compulsory to keep such books, but has described in detail what such books shall contain and exhibit, and imposed penalties for neglect of such provisions.¹

6.—STATEMENT OF AFFAIRS TO BE MADE.

57. Every company incorporated under this Act shall, on or before the first day of February, in every year, make a list in duplicate verified as is hereinafter required of all persons who on the thirty-first day of December previously, were shareholders of the company; and such list shall state the names alphabetically arranged, and the addresses and callings of all such persons, the amount of stock held by them, and the amount unpaid thereon; and shall also make out a summary in duplicate verified as hereinafter required, of the state of the affairs of the company, on the thirty-first day of December preceding. 2. The summary shall contain the following particulars:

¹Stephens.

Firstly, The names and residences and post office addresses of the directors, secretary, and treasurer of the company ;

Secondly, The amount of the capital of the company and the number of shares into which it is divided ;

Thirdly, The number of shares taken from the commencement of the company up to the thirty-first day of December preceding the date of the summary ;

Fourthly, The amount of stock (if any) issued free from call ; if none is so issued, this fact to be stated ;

Fifthly, The amount issued subject to call ;

Sixthly, The amount of calls made on each share ;

Seventhly, The total amount of calls received ;

Eighthly, The total amount of calls unpaid ;

Ninthly, The total amount of shares forfeited ;

Tenthly, The total amount of shares which have never been allotted or taken up ;

Eleventhly, The total amount for which shareholders of the company are liable in respect of unpaid stock held by them ;

Twelfthly, The said summary may also, after giving the information hereinbefore required, give in a concise form, such further information respecting the affairs of the company, as the directors may consider expedient ;

(3) Every company so long as it carries on the business of warehousing crude petroleum shall add the following additional particulars in the summary :—

(a) The total quantity of crude petroleum actually held by the company for the purpose of answering transportation and warehouse receipts, accepted orders, and certificates of crude petroleum.

(b) The total quantity of crude petroleum in respect of which the company as warehousemen or carriers are liable to make delivery to other persons.

4. The list and summary, and every duplicate thereof required by this Act, shall be written or printed on only one side of the sheet or sheets of paper containing the same ;

5. The list and summary shall be verified by the affidavit of the president and secretary, and if there are no such officers, or they, or either of them are or is at the proper time, out of this Province, or otherwise unable to make the same, by the affidavit of the president or secretary and one of the directors, or two of the directors, as the case may require; and if the president or secretary does not make or join in the affidavit, the reason thereof shall be stated in the substituted affidavit;

6. One of the duplicate lists and summaries, with the affidavit of verification, shall be posted in the head office of the company in Ontario, on or before the second day of February; and the company shall keep the same so posted, until another list and summary are posted under the provisions of this Act; and the other duplicate list and summary, verified as aforesaid, shall be deposited with the Provincial Secretary, on or before the eighth day of February next, after the time hereinbefore fixed for making the summary.

7. If a company makes default in complying with the provisions of this section, the company shall incur a penalty of twenty dollars for every day during which the default continues, and every director, manager or secretary of the company, who knowingly and wilfully authorizes or permits such default, shall incur the like penalty.

8. This section shall not apply to any company until the first day of February next after the first thirty-first day of December, after the company has been organized, or has gone into actual operation, whichever shall first happen, and shall not be held to apply to any company which has ceased to carry on business; and upon its being proved that any company to which this Act applies did not transact any business (other than the payment of taxes or the making of a return, or the furnishing of any list, statement, or other information to the Government of Ontario, or to any officer or department thereof) during the year for which it is alleged a return in accordance with the requirements of law has not been made, such company shall be deemed to have ceased to carry on business within the meaning of this sub-section.

Blank forms of summaries, lists and affidavits are forwarded annually to companies by the Secretary's Department in ample time for making the return. The sheets should be fastened with a clip, or pin, not gummed together. Chapter 180, provides that no action for default in making return shall be maintained after receipt of return by proper officer, and also limits the amount of the penalty that may be recovered for default.

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CHAPTER III.

STOCK, CALLS, ETC.

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| 1. NATURE OF STOCK. | 7. LIABILITY OF EXECUTORS. |
| 2. ALLOTMENT OF STOCK. | 8. RIGHTS OF EXECUTORS. |
| 3. CREATION OF PREFERENCE STOCK. | 9. CALLS. |
| 4. SALE AND TRANSFER OF STOCK. | 10. ACTION FOR CALLS. |
| 5. LIABILITY OF COMPANY IN RESPECT OF TRUSTS. | 11. FORFEITURE OF SHARES. |
| 6. LIABILITY OF SHAREHOLDERS ON STOCK. | 12. DIVIDENDS. |

1.—NATURE OF STOCK.

41. The stock of the company shall be deemed personal estate, and shall be transferable in such manner only, and subject to all such conditions and restrictions as by this Act or by the letters patent, or by-laws of the company may be prescribed.

2.—ALLOTMENT OF STOCK.

42. If the letters patent make no other definite provision, the stock of the company, so far as it is not allotted thereby, shall be allotted when and as the directors by by-law or otherwise ordain.

43. No by-law for the allotment or sale of stock at any greater discount or at any less premium than what has been previously authorized at a general meeting, or for the payment of the president or any director, shall be valid or acted upon until the same has been confirmed at a general meeting.

3.—CREATION OF PREFERENCE STOCK.

25. The directors of any company incorporated under this Act or any other general Act of this province, for the incorporation of companies by letters patent, may make a by-law for creating and issuing any part of the capital stock as preference stock, giving the same such preference and

priority, as respects dividends and otherwise, over ordinary stock, as may be declared by the by-law;

(2) The by-law may provide that the holders of such preference shares shall have the right to select a certain stated proportion of the board of directors, or may give them such other control over the affairs of the company as may be considered expedient;

(3) No such by-law shall have any force or effect whatever until after it has been unanimously sanctioned by the vote of the shareholders, present in person or by proxy at a general meeting of the company duly called for considering the same, or unanimously sanctioned in writing by the shareholders of the company;

(4) Holders of such preference stock shall be shareholders within the meaning of this Act, and shall in all respects possess the rights and be subject to the liabilities of shareholders within the meaning of this Act, provided, however, that in respect of dividends and otherwise they shall, as against the original or ordinary shareholders, be entitled to the preference given by any by-law as aforesaid;

(5) Nothing in this section shall affect or impair the rights of creditors of any company.

4.—SALE AND TRANSFER OF STOCK.

48. No share shall be transferable until all previous calls thereon have been fully paid in, or until declared forfeited for non-payment of calls thereon.

51. The directors may refuse to allow the entry, into any such book¹ of any transfer of stock whereon any call has been made which has not been paid in.

52. No transfer of stock, unless made by sale under execution, or under the order or judgment of some competent court in that behalf, shall be valid for any purpose whatever, save only as exhibiting the rights of the parties there-

¹ The books here alluded to are those mentioned in Sec. 50, pages 30, 31.

to towards each other, and as rendering the transferee liable *ad interim* jointly and severally with the transferor to the company and its creditors, until entry thereof has been duly made in the books of the company.

5.—LIABILITY OF COMPANY IN RESPECT OF TRUSTS.

58. The company shall not be bound to see to the execution of any trust, whether express, implied or constructive, in respect of any share; and the receipt of the shareholder in whose name the same stands in the books of the company, shall be a valid and binding discharge to the company for any dividend or money payable in respect of such share, whether or not notice of the trust has been given to the company; and the company shall not be bound to see to the application of the money paid upon such receipt.

6.—LIABILITY OF SHAREHOLDERS ON STOCK.

61. Each shareholder, until the whole amount of his stock has been paid up, shall be individually liable to the creditors of the company to an amount equal to that not paid up thereon, but shall not be liable to an action therefor by any creditor before an execution against the company has been returned unsatisfied in whole or in part; and the amount due on such execution, but not beyond the amount so unpaid of his said stock, shall be the amount recoverable with costs against such shareholder.

2. Any shareholder may plead by way of defence, in whole or in part, any set-off which he could set up against the company, except a claim for unpaid dividends, or a salary, or allowance as a president or director of the company.

62. The shareholders of the company shall not as such be held responsible for any act, default, or liability whatsoever of the company, or for any engagement, claim, payment, loss, injury, transaction, matter or thing whatsoever, relating to or connected with the company, beyond the unpaid amount of their respective shares in the capital stock thereof.

7.—LIABILITY OF EXECUTORS, ETC.

63. No person holding stock in the company as executor administrator, guardian or trustee, shall be personally subject to liability as a shareholder, but the estates and funds in the hands of such person shall be liable in like manner, and to the same extent as the testator or intestate, or the minor, ward, or person interested in the trust fund would be, if living and competent to act, and holding such stock in his own name.

64. No person holding stock as collateral security shall be personally subject to liability as a shareholder, but the person pledging such stock as such collateral security shall be considered as holding the same, and shall be liable as a shareholder in respect thereof.

8.—RIGHTS OF EXECUTORS, ETC.

65. Every executor, administrator, guardian, or trustee shall represent the stock in his hands, at all meetings of the company, and may vote accordingly as a shareholder; and every person who pledges his stock may nevertheless represent the same at all such meetings, and may vote accordingly as a shareholder.

9.—CALLS.

44. The directors of the company may call in and demand from the shareholders thereof, respectively, all sums of money by them subscribed, at such times and places, and in such payments or instalments, as the letters patent, or this Act, or the By-laws of the company require or allow; and interest shall accrue and fall due at the legal rate for the time being upon the amount of any unpaid call, from the day appointed for payment of such call.

45. Not less than ten per centum upon the allotted stock of the company shall, by means of one or more calls, be called in and made payable within one year from the incorpora-

tion of the company; the residue, when and as the By-laws of the company direct.

10.—ACTION FOR CALLS.

46. The company may enforce payment of all calls and interest thereon, by action in any court of competent jurisdiction; and in such action it shall not be necessary to set forth the special matter, but it shall be sufficient to state that the defendant is a holder of one share or more, stating the number of shares, and is indebted in the sum of money to which the calls in arrear amount. in respect of one call or more upon one share or more, stating the number of calls and the amount of each, whereby an action has accrued to the company under this Act; and a certificate under the seal, and purporting to be signed by any officer of the company, to the effect that the defendant is a shareholder, that such call or calls has or have been made, and that so much is due by him and unpaid thereon, shall be received in all Courts as *prima facie* evidence to that effect.

11.—FORFEITURE OF SHARES.

47. If, after such demand or notice as by the letters patent or By-laws of the company is prescribed, any call made upon any share or shares is not paid within such time as by such letters patent or By-laws may be limited in that behalf, the directors in their discretion, by vote to that effect, reciting the facts, and duly recorded in their minutes, may summarily forfeit any shares whereon such payment is not made; and the same thereupon shall become the property of the company, and may be disposed of as by By-law or otherwise the company may ordain.

12.—DIVIDENDS.

66.—The directors of the company shall not declare or pay any dividend when the company is insolvent, or any

dividend, the payment of which renders the company insolvent, or diminishes the capital stock thereof, but if any director present when such dividend is declared, forthwith, or if any director, then absent, within twenty-four hours after he has become aware thereof and able so to do, enters on the minutes of the Board of Directors his protest against the same, and within eight days thereafter causes such protest to be published in at least one newspaper published at or as near as may be possible to the office or chief place of business of the company, such Director may thereby, and not otherwise, exonerate himself from liability.

This section is for the protection of the creditors of the company.

"The rule with regard to the rights of creditors in this respect was well stated in a case in the United States Supreme Court, in which it was said that the property of a corporation is regarded as held in trust for the payment of its debts, and creditors may pursue it into the hands of all persons, except those of *bona fide* purchasers; nor will a sale of the capital stock and a division of the proceeds among the stockholders defeat the rights of creditors, but such stockholders may be compelled to contribute *pro rata* to the payment of the corporate debts out of the moneys so received.

"The term 'dividend' really means and refers to that which is to be divided among the shareholders, and that only which properly belongs to and can be divided among the shareholders is the fund created by the net profits of the company. It is for this and this only they have invested in its shares, and if, contrary to their expectations, there are no profits, then they must wait until there are; or if there is no reasonable expectation of there being any, then the company should be wound up, and after the creditors have all been paid, they may divide the surplus assets among themselves. But having induced and obtained credit on the strength of the capital fund which they have contributed, it would be manifestly unjust to allow them to withdraw such capital or any part thereof, either by the name of dividends or by other name, as soon as they see that their expectations are not likely to be realized.

"The guaranteeing of a dividend by a company means nothing more than a pledge upon the funds applicable to the purposes of a dividend; and if in any case it appear that the dividend has not been earned, the holders of stock upon which a dividend is guaranteed cannot recover in a suit to enforce payment of such dividend. As long as the company is earning sufficient to pay a satisfactory dividend, there is no

temptation to draw upon the capital for that purpose ; but as soon as it falls below that, the interest of all, but especially of the large shareholders, creates a strong temptation to pay bogus profits out of capital in order to maintain the credit of the company and the price of its shares. And it is this temptation, clearly, which has caused the Legislature to remove the question out of the domain of company regulation, and, by one short provision, make every payment of dividends out of any thing but the actual profits of the company illegal. The capital then belongs to and is the proper pledge of the creditors of the company, and the net profits only are all that the shareholder can claim until the company is wound up."¹

¹Stephens.

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CHAPTER IV.

MISCELLANEOUS PROVISIONS.

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| 1. CONTRACTS, &c., WHEN BINDING ON COMPANY. | 9. SUBSISTING COMPANIES MAY OBTAIN CHARTER WITH EXTENDED POWERS. |
| 2. COMPANY NOT TO BUY STOCK IN OTHER CORPORATIONS. | 10. APPOINTMENT OF COMPANIES TO ACT AS TRUSTEES, &c. |
| 3. LOANS TO SHAREHOLDERS. | 11. LETTERS PATENT FOR CERTAIN PURPOSES MAY BE GRANTED TO COMPANIES INCORPORATED UNDER SPECIAL ACTS. |
| 4. LIABILITY OF DIRECTORS FOR WAGES. | 12. WINDING UP ACTS TO APPLY. |
| 5. ACTIONS BY AND AGAINST COMPANY. | |
| 6. FORFEITURE OF CHARTER. | |
| 7. FEES. | |
| 8. PROVINCIAL SECRETARY'S DEPARTMENT CHARGED WITH THE ISSUE OF LETTERS PATENT, &c., &c. | |

1.—CONTRACTS, ETC., WHEN BINDING ON COMPANY.

59. Every contract, agreement, engagement or bargain made, and every bill of exchange drawn, accepted or endorsed, and every promissory note or cheque made, drawn, or endorsed on behalf of the company by any agent, officer, or servant of the company in general accordance with his powers, as such under the by-laws of the company, shall be binding upon the company; and in no case shall it be necessary to have the seal of the company affixed to any such contract, agreement, engagement, bargain, bill of exchange, promissory note or cheque, or to prove that the same was made, drawn, accepted or endorsed, as the case may be, in pursuance of any by-law, or special vote or order; nor shall the party so acting as agent, officer or servant of the company, be thereby subjected individually to any liability whatsoever to any third party therefor.

2. Nothing in this Act shall be construed to authorize the company to issue any note payable to the bearer thereof, or any promissory note intended to be circulated as money, or as the note of a bank, or to engage in the business of banking or insurance.

2.—COMPANY NOT TO BUY STOCK IN OTHER CORPORATIONS.

60. No company shall use any of its funds in the purchase of stock in any other corporation, unless expressly authorized by by-law confirmed at a general meeting.

3.—LOANS TO SHAREHOLDERS.

67. No loan shall be made by the company to any shareholder, and if such is made, all directors and other officers of the company making the same, or in anywise assenting thereto, shall be jointly and severally liable to the company for the amount thereof, and also to third parties, to the extent of such loan with legal interest, for all debts of the company contracted from the time of the making of the loan to that of the repayment thereof: But this section shall not apply to a building society, or to a company incorporated for the lending of money.

4.—LIABILITY OF DIRECTORS FOR WAGES.

68. The directors of the company shall be jointly and severally liable to the labourers, servants and apprentices thereof, for all debts not exceeding one year's wages due for services performed for the company while they are such directors respectively; but no director shall be liable to an action therefor, unless the company has been sued therefor within one year after the debt became due, nor yet unless such director is sued therefor within one year from the time when he ceased to be such director, nor yet before an execution against the company has been returned unsatisfied in whole or in part; and the amount due on such execution shall be the amount recoverable with costs against the directors.

5.—ACTIONS BY AND AGAINST COMPANY.

69.—In an action or other proceeding, it shall not be requisite to set forth the mode of incorporation of the company, otherwise than by mention of it, under its corporate name, as incorporated by virtue of letters patent, or of let-

ters patent and supplementary letters patent, as the case may be, under this Act; and the letters patent or supplementary letters patent themselves, or any exemplification or copy thereof, under the Great Seal, shall be conclusive proof of every matter and thing therein set forth.

6.—FORFEITURE OF CHARTER.

70.—The charter of the company shall be forfeited by non-user during three consecutive years at any one time, or if the company does not go into actual operation within three years after it is granted; and no declaration of such forfeiture by any Act of the Legislature shall be deemed an infringement of such charter.

7.—FEES.

71.—The Lieutenant-Governor in Council may from time to time establish, alter, and regulate the tariff of the fees to be paid on applications under this Act; may designate the Department or Departments through which the issue of letters patent or supplementary letters shall be made; and may prescribe the forms of proceeding and record in respect thereof, and all other matters requisite for carrying out the objects of this Act.

2. Such fees may be made to vary in amount, under any rule or rules—as to nature of company, amount of capital, and otherwise—that may be deemed expedient.

3. No steps shall be taken in any Department towards the issue of any letters patent or supplementary letters patent under this Act, until after all fees therefor have been duly paid.

The following is a schedule of the fees payable upon the issue of charters :—¹

For charter when proposed capital is \$200,000 or upwards . . .	\$60 00
When it is \$100,000, but is less than \$200,000.	50 00
When it is \$50,000, but is less than \$100,000	40 00
When it is less than \$50,000, but more than \$3,000	30 00

¹ *Vide* Orders in Council, dated 2nd June, 1874, 16th Sept., 1874, and 16th March, 1877.

When it is \$3,000, or less\$10 00
 When the Charter is for an Educational Institution..... 10 00

Upon Supplementary Letters Patent for (a) increasing or (b) decreasing the capital stock of a Company ; (c) subdividing its shares ; (d) extending its powers ; (e) limiting or increasing the amount it may borrow upon its debentures, or otherwise ; (f) providing for the formation of a reserve fund ; (g) varying any provision, or (h) providing for any matter or thing in respect of which provision might have been made by the original letters patent, if the capital of the Company is \$3,000 or less, and is not increased, the fee is \$5. If the capital of the Company is more than \$3,000, a fee of \$25 is charged, unless the capital stock of the Company is increased, when the same fee is payable as would be charged if the Company was being incorporated, but only with reference to the increased capital. The fee to be paid by a company, whose capital is over \$3,000, for the Notice in the "Gazette," required by sec. 5 of cap. 178 R. S. O., respecting the changing of the names of companies, is \$12 ; if the capital is \$3,000 or less, \$5.

S.—PROVINCIAL SECRETARY'S DEPARTMENT, CHARGED WITH ISSUE OF LETTERS PATENT, ETC., ETC.

The Provincial Secretary's Department is designated by Order in Council under section 71, as the Department through which the issue of letters patent shall take place.

9.—SUBSISTING COMPANIES MAY OBTAIN CHARTER WITH EX- TENDED POWERS.

72. Any company incorporated for purposes or objects within the scope of this Act, or within the scope of this Act as it may be hereafter amended. whether under a Special or a General Act, and being at the time of its application a subsisting and valid corporation, may apply for letters patent under this Act ; and the Lieutenant-Governor in Council, upon proof that the notice of the application has been inserted for four weeks in the *Ontario Gazette*, may direct the issue of letters patent incorporating the shareholders of the said company as a company under this Act, and thereupon all the rights or obligations of the former company shall be transferred to the new company, and all proceedings may be continued and commenced by or against the new company, that might have been continued or commenced by or against the old company, and it shall not be

necessary in any such letters patent to set out the names of the shareholders; and after the issue of the letters patent, the company shall be governed in all respects by the provisions of this Act, except that the liability of the shareholders to creditors of the old company shall remain as at the time of the issue of the letters patent.

(2) Where a company is re-incorporated under the preceding sub-section the Lieutenant-Governor may, by the letters patent, increase the capital stock of the company to any amount which the shareholders of the company applying for re-incorporation may, by a resolution passed by a vote of not less than two-thirds in value of those present in person or by proxy at a general meeting of the company duly called for considering the same, have declared to be requisite for the due carrying out of the objects of the company.

(3) The resolution may prescribe the manner in which the new stock is to be allotted; and in default of its so doing, the control of the allotment shall vest absolutely in the directors of the new company.

73. Where an existing company applies for the issue of letters patent under the provisions of the preceding section the Lieutenant-Governor may by the letters patent extend the powers of the company to such other objects within the scope of this Act as the applicants desire, and as the Lieutenant-Governor thinks fit to include in the letters patent, and may by the said letters patent name the first directors of the new company, and the letters patent may be to the new company by the name of the old company or by any other name.

10.—APPOINTMENT OF COMPANIES TO ACT AS TRUSTEES, ETC.

74.—(1) Where a company incorporated under a special Act or under this Act is authorized to execute the office of executor, administrator, trustee, receiver, assignee, guardian of a minor, or committee of a lunatic, then in case the Lieutenant-Governor in Council shall approve of such company

being accepted by the High Court as a Trusts Company for the purposes of such court, the said court, or any judge thereof, and every other court or judge having authority to appoint such an officer, may, with the consent of the company, appoint such company to exercise any of the said offices in respect of any estate, or person, under the authority of such court or judge, or may grant to such company probate of any will in which such company is named an executor; but no company which has issued, or has authority to issue, debentures shall be approved as aforesaid.

(2) Notwithstanding any rule of practice, or any provision of any Act requiring security, it shall not be necessary for the said company to give any security for the due performance of its duty as such executor, administrator, trustee, receiver, assignee, guardian or committee, unless otherwise ordered.

(3) The Lieutenant-Governor in Council may revoke the approval given under this section, and no court, or judge, after notice of such revocation, shall appoint any such company to be an administrator, trustee, receiver, assignee, guardian or committee, unless such company gives the like security for the due performance of its duty as would be required from a private person.

75. The liability of the company to persons interested in an estate held by the said company as executor, administrator, trustee, receiver, assignee, guardian or committee as aforesaid, shall be the same as if the estate had been held by any private person in such capacities respectively, and its powers shall be the same.

76.—(1) The High Court, if it deems necessary, may from time to time appoint a suitable person to investigate the affairs and management of the company, who shall report thereon to the court, and regarding the security afforded to those by or for whom its engagements are held, and the expense of such investigations shall be defrayed by the company; or the court may, if it deems necessary, ex-

amine the officers or directors of the company under oath as to the security aforesaid.

(2) The Lieutenant-Governor may also from time to time, when he deems it expedient, appoint an inspector to examine the affairs of the company and report to him on the security afforded to those by and for whom its engagements are held as aforesaid; and the expense of the investigation shall be borne by the company.

77. —(1) Every Court into which money is paid by parties, or is brought by order or judgment, may by order direct the same to be deposited with any such company that may agree to accept the same, and the company may pay any lawful rate of interest on such moneys as may be agreed upon, and when no special arrangement is made, interest shall be allowed by the company at the rate of not less than three per centum annually.

(2) Every such company may invest any trust moneys in its hands in any securities in which private trustees may by law invest trust moneys, and may also invest such moneys (a) in the public stock funds or Government securities of any of the Provinces of the Dominion, or in any securities guaranteed by the United Kingdom of Great Britain and Ireland, or by the Dominion, or by any of the said Provinces; (b) or in the bonds or debentures of any municipal corporation in any of the said Provinces.

Provided that such company shall not in any case invest the moneys of any trust in securities prohibited by the trust, and shall not invest moneys entrusted to it by any Court in a class of securities disapproved of by the Court.

11.—LETTERS PATENT FOR CERTAIN PURPOSES MAY BE GRANTED TO COMPANIES INCORPORATED UNDER SPECIAL ACTS.

78.—(1) Where any company has been incorporated by a special Act, before the 10th day of March, 1882, for purposes or objects within the scope of this Act, then, in case a resolution authorizing an application to the Lieuten-

ant-Governor therefor is passed by a vote of not less than two-thirds in value of the shareholders present, in person or by proxy, at a general meeting of the company, duly called for considering the subject of such resolution, the Lieutenant-Governor in Council may from time to time direct the issue of letters patent to the company, embracing any or all of the following matters :

- (a) Extending the powers of the company to any objects within the scope of this Act, which the company may desire ;
 - (b) Limiting or increasing the amount which the company may borrow upon debentures or otherwise ;
 - (c) Providing for the formation of a reserve fund ;
 - (d) Varying any provision contained in the special Act, so long as the alteration is not contrary to the provisions of this Act ;
 - (e) Making provision for any other matter or thing in respect of which provision might have been made had the company been incorporated under this Act ;
- (2) No power to execute the office of executor, administrator, trustee, receiver, assignee, guardian of a minor, or committee of a lunatic, shall be conferred under this section upon any company which has authority to issue debentures ; and no company incorporated under this Act, with power to execute such office, shall issue debentures.

12.—WINDING UP ACTS TO APPLY.

79. The company shall be subject to the provisions of any Act of the Legislature for the winding up of Joint Stock Companies.

SCHEDULE "A."

(Section 13.)

NOTICE OF GRANTING LETTERS PATENT.

Public notice is hereby given, that under "*The Ontario Joint Stock Companies' Letters Patent Act*," letters patent

have been issued under the Great Seal of the Province of Ontario, bearing date the day of incorporating [*here state names, address and calling, of each corporator named in the letters patent*], for the purpose of [*here state the undertaking of the company, as set forth in the letters patent*], by the name of [*here state the name of the company in the letters patent*], with a total capital stock of dollars, divided into shares of dollars each.

Dated at the office of the Provincial Secretary of Ontario, the day of

A.B.,

Provincial Secretary.

SCHEDULE "B."

(Section 23.)

NOTICE OF GRANTING SUPPLEMENTARY LETTERS PATENT.

Public notice is hereby given, that under "*The Ontario Joint Stock Companies' Letters Patent Act*," supplementary letters patent have been this day issued under the Great Seal of the Province of Ontario, bearing date the day whereby the total capital stock of [*here state the name of the company*] is increased [*or decreased, as the case may be*] from dollars to dollars [or whereby the capital stock of the company of shares of dollars each, is sub-divided into shares of dollars each.]

Dated at the office of the Provincial Secretary of Ontario, this day of

A.B.,

Provincial Secretary.

CHAPTER V.

GENERAL INFORMATION.

- | | |
|--|--------------------------|
| 1. CONCERNING DIRECTORS. | 4. AUDITING. |
| 2. PRICE OF SHARES. | 5. VOUCHERS. |
| 3. CONVERSION OF A PRIVATE BUSINESS, OR PARTNERSHIP, INTO A JOINT STOCK COMPANY. | 6. DUTIES OF AN AUDITOR. |
| | 7. GENERAL REMARKS. |

1. CONCERNING DIRECTORS.¹

Can a man holding a plurality of responsible offices conscientiously discharge the proper duties devolving upon him from each position of trust, or does he nominally pretend to do so? This question was asked a few days since by a shareholder, and doubtless, many others of the same class have often reflected upon the important matter, dismissing their conclusions with a shudder and a hope.

It is not uncommon to find one man conducting a large and legitimate business of his own, connected as a director with two, three and more public companies where large financial interests demand careful watching and management in every detail.

With the promoters of large financial and commercial companies the questions of ability and moral responsibility are not as a rule discussed so far as regards the directorate. Far more important is it that they shall place the company under the shadow of great names. Men of influence, standing and fortune are secured, often irrespective of age and ability. In England the acquisition of one or two titles is usually a desideratum in floating a new concern. The Earl of This and the Marquis of That permit the use of their names, and become the chief guinea-pigs in the cage of directors. Of course very few of this class of directors ever pretend to look into the business—they are content to meet

¹ These remarks concerning Directors and their duties, which recently appeared in a Toronto newspaper, are so pertinent that I quote them here.

once a week or so, chat over a small luncheon, pocket a trifling fee, and overlook the books entirely. They are the much-abused figure-heads. There is the same class of useless directors in certain Canadian companies, handling and managing large financial affairs.

A man may be successful and clever in a business to which he has been applying himself for years; but it does not follow that he will be equally useful or fortunate in helping to conduct another of which he knows nothing.

There is another danger in men holding offices in several companies formed for financial business. It is possible by collusion for directors to accommodate one another or the institutions they direct, and a loophole for fraud is left open, which should not be forgotten in these days of commercial jugglery.

Shareholders should, therefore, discountenance such an anomaly if they wish their savings to descend to their offspring, as the greed for prominence, more particularly when pay is attached to it, beclouds too frequently the sense of honor which ought to influence the conduct of men holding trust positions, and as to whom the illustrious Burke once declared that "*Those who execute public pecuniary trusts ought of all men to be the most strictly held to their duty.*"

2. PRICE OF SHARES.¹

Whether a company's shares are being sold at par, that is the full value, at a premium, or at a discount, they are always at par in the company's books, and on the par value the dividend is paid. The first issue of shares at the inception of a company will always be at par; subsequent issues may be offered at a premium if the old stock is above par in the market. After the stock authorized by the charter has been taken by subscribers, a company's shares are no longer within its own control. It has none to sell, and their real value will be the investing public's estimation of them, based upon the efficiency of the company's management, the past earn-

¹Johnson's "Joint Stock Bookkeeping."

ings, and an estimate of its powers in that direction in the future. If you desire to buy stock in a company whose shares have all been taken up, you must find some holder willing to sell, either by your own seeking or the employment of a stock broker. What you pay for your shares is a private bargain between yourself and the holder, with which the company cannot interfere. If the company whose shares you buy is a large and important concern, like a loan company or a bank, the stock will be quoted on the Stock Exchange, and you will be guided in your purchase by the latest quotations.

3. CONVERSION OF A PRIVATE BUSINESS OR PARTNERSHIP INTO A JOINT STOCK COMPANY ¹

In Great Britain within the last twenty-five years, and latterly to some extent in Canada and the United States, the conversion of private partnerships into joint stock companies has become very general. In all branches of commerce you will observe such signs as "John Arnott & Co. (Limited)," and on making inquiry regarding the change it will generally be found that it was effected at the death of some of the original partners, whose interest in the concern has been inherited by a number of heirs who desire to retain the interest in the business, but take no part in its management, nor incur any responsibility for its liabilities. An old-established firm that might otherwise cease to exist, for death dissolves a partnership, is thus preserved, the management remains undisturbed; the shares are in the hands of the families of the original partners, who, without risk or anxiety, enjoy the fruits of the labors of those whose heirs they are. When any of these desire to sell their shares they have simply to find a purchaser at will. It has latterly become quite common for manufacturers in the Dominion to convert their concerns into joint stock companies; the object being to extend their trade by the introduction of new capital, which could not be obtained on the ordinary part-

¹Johnson's "Joint Stock Bookkeeping."

nership, or special partnership, principle, but only on that of limited liability. The former owner will take the price of the property in paid up stock.

4. AUDITING.¹

In a treatise for Joint Stock Companies, it is not inappropriate that something should be said, and a few hints given, on the important and too often inefficiently performed work of auditing.

To audit, is to thoroughly examine and report upon the work of an accountant. The value of an audit rests solely upon the competence, honesty and independence of the individuals who make it.

If they are not thorough accountants, it is unreasonable to expect that they will be able to detect accidentally or wilfully false entries, or form an intelligent opinion of the work they have undertaken; hence a report under such circumstances is the very opposite of the security desired, and which an audit by competent men would afford to a company or corporation.

That auditors should be men of established character for probity it is unnecessary to point out, and that the reliance to be placed upon the work they perform is largely reckoned by their independence and their being uninfluenced by interested parties, is generally plain. We argue, therefore, that companies or corporations are equally bound to employ competent accountants who possess the moral qualities indicated, as auditors, as they are to employ only such to keep their books.

Auditors for Joint Stock Companies are appointed by the shareholders at the annual general meeting. The reason why the shareholders and not the directors should make the appointments is very plain. The officers of the company are largely controlled by the directors, and the audit being, so far as this connection goes, an examination of the faithfulness, to the shareholders, of both the officers and directors,

¹Johnson's "Joint Stock Bookkeeping."

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it is necessary that the shareholders themselves should appoint the auditors. The duty of auditors is laid down in the company's By-Laws.¹ From them we quote: "One or more auditors shall be appointed annually by the shareholders at the annual general meeting, whose duty it shall be to examine and audit the books and accounts of the company, and any and all documents having reference to the business of the company, and prepare from the company's books a balance sheet and abstract of the company's affairs, to be submitted to the directors on the last Monday in January, accompanied by any recommendations or suggestions they may deem proper."

The auditors, upon being duly appointed, should at once begin their duties, as a long delayed audit is far less effective than a prompt one, particularly if only one audit takes place in the year.

The proper manner of conducting an audit is to begin at the books of original entry, at the same time using auxiliary books and examining vouchers. The Cash Book might be gone through for the first month and compared with the vouchers: then the Day Book and Journal entries for the same time should be compared, those of the Day Book being verified (as well as those in the Cash Book) from vouchers, documents, auxiliary books, drafts, notes, etc., etc., and proceed in this way from month to month with the books of original entry, checking each transaction thus ✓, and as the work progresses making such memoranda, on which to base the report, as may be deemed proper. Next the Ledger entries should be compared and carefully checked with the books from which they are brought, and all additions verified. The Trial Balance should be then examined, and after that the Stock Ledger, the Transfer Book, the stubs in the Instalment Script and Stock Certificate Books, and any other auxiliary books, or forms not already gone through in connection with the Cash Book and Journal. Finally a balance sheet showing the company's losses and gains and its assets

¹ See By-Laws, *infra*.

and liabilities should be made out, and a report prepared, for submission to the directors.

5. VOUCHERS.

To be acceptable to an auditor a voucher should not only be an acknowledgment of money paid, but there should be the proper authority for the payment, which is usually the vote of the Directors. A cheque payable to order and endorsed by the payee is evidence of payment to him, or a written receipt is evidence of payment; but neither of these should suffice an auditor unless he has seen the proper record of the authorization. Auditors should place their initials upon all vouchers and papers submitted to them. This will prevent a dishonest man from using them again.

6. THE DUTIES OF AN AUDITOR.¹

Public attention has of late been sharply drawn to the duties of persons entrusted with the care and management of the funds of shareholders, and we believe with beneficial effect. But of equal and weighty responsibility are the duties of official auditors. In England the extent of that responsibility has quite recently been discussed, and as one result the auditor of a building society has been made a defendant and held liable, in an action by a liquidator, for breach of duty. The position in law of an auditor is that of agent of the shareholders of a company, or of the beneficiaries of a trust. It is his duty, not merely to compare vouchers with alleged payments and certify that the books are correct, but to scrutinize and investigate every account, receipt and payment on behalf of his clients. He stands between the owners of the money and the disbursers of it, and he should, with careful thoroughness, examine as well as audit the manner and the purposes for which the owners' moneys have been paid and disbursed. He is also bound to investigate and satisfy himself of the actual and tangible existence of the securities which the directors and officers hold for the shareholders or beneficiaries; and to require

¹ Toronto *Mail*.

satisfactory evidence that they are actually of the value assigned to them in the statement of assets set forth in the balance sheet. An auditor who desires to do his duty efficiently, and according to law, must always remember that his functions are quasi-judicial; that he is invested, on behalf of shareholders and beneficiaries, with a portion of the trusts and responsibilities which are reposed in judges who have to decide questions of fact on the truth of the evidence produced before them.

In the English case referred to, cited in the law reports as the *Leeds Estate, Building and Investment Company v. Sheppard*, the defendant-auditor contended that his only duty was to see that the balance sheet represented and was a true result of what appeared in the books of the company; that behind the books he could not go, and that when he found in the books that debts were due to the company, all he could or was bound to do, was to ask the directors and manager whether they were good debts. These ideas of the duty of an auditor were very emphatically condemned by the court; and the auditor who propounded them was adjudged to be financially responsible to the creditors of the company for his misinterpretation of the law, and for his consequent neglect to perform the duties he had undertaken; the learned judge stating in his finding: "It appears from his own evidence that the duties of the auditor were not in reality discharged by him." In giving judgment the learned judge thus defined the duties of the auditor of a company:

"It was in my opinion the duty of the auditor not to confine himself merely to the task of verifying the arithmetical accuracy of the balance sheet, but to inquire into its substantial accuracy; and to ascertain that it contained the particulars specified in the articles of the association, and consequently a proper income and expenditure account, and was properly drawn up, so as to contain a true and correct representation of the state of the company's affairs."

The case is one which is full of instruction and warning to persons whose duty it is to audit municipal as well as company and banking accounts, and we trust our reference to it

will draw the attention of all concerned more sharply and pointedly to the functions and duty of auditors.

7. GENERAL REMARKS.

Under the Great Seal Letters Patent are also issued for the incorporation of :—

(a) Timber Slide Companies—under the Revised Statute, cap. 157 ; the Revised Statute, cap. 160.

(b) Steam and Heating Companies or Companies for supplying electricity for the purposes of light, heat, or power—under the Revised Statute, cap. 157 ; the Revised Statute, cap. 165.

(c) Cemetery Companies—under the Revised Statute, cap. 157 ; the Revised Statute, caps. 175 and 176.

(d) Street Railway Companies—under the Revised Statutes, cap. 157, and 171.

The following fees are usually charged for taking Affidavits :—

NOTARIES are entitled to \$1. This includes Oath, Certificate and Seal. If the Notary draws the affidavit, he can charge also for it.

COMMISSIONERS are entitled to twenty cents, unless in cases where the Statute specially states that they are entitled to twenty-five cents. This charge generally includes the preparing of the affidavit.

JUSTICES OF THE PEACE are entitled to twenty-five cents. This includes the drawing up of the affidavit ; they are, however, entitled to this amount even if they do not draw the affidavit.

Seals may be obtained at a cost varying from \$5 to \$25, from any of the dealers or makers of such articles, whose advertisement appears in this work. They will gladly furnish designs and estimates, upon application being made to them.

FORMS.

NOTE—The following Forms are drawn so as to actually represent all the steps taken in the formation of a company by the name of the Hamilton Stove Company, and also all matters which may arise subsequent thereto.

The Forms are to be changed to suit the circumstances in each case, but must be substantially as those given hereunder.

FORM No. 1.

PROSPECTUS OF THE HAMILTON STOVE COMPANY.

Capital \$200,000, in 4,000 Shares of \$50 each.

Provisional Directors :

WILLIAM JOHN THOMAS, Esq., Hamilton ; THOMAS TAYLOR, Esq.,
Hamilton ; and THOMAS BRIGHT TAYLOR, Hamilton.

Secretary :

THOMAS TAYLOR.

Bankers :

THE BANK OF HAMILTON.

The Hamilton Stove Company is being formed for the purpose of carrying on the business of manufacturing stoves of all descriptions.

Owing to the largely increased demand for these articles, as compared with any previous period, and the facilities which this city affords for their manufacture, a profit of at least 20 per cent. is assured.

For this purpose the company propose to erect on Main street, in Hamilton, a building suitable for carrying on its business, the maximum cost of said building to be \$10,000, and be furnished with all the latest and most important improvements in use in this manufacture.

In order to push sales, it is proposed to establish agencies in every county of the Province. A Charter to be applied for, and the Company

to commence business as soon as one-half of the proposed capital stock is subscribed.

It is proposed to make calls upon the subscribers for stock as follows : 25 per cent. when the Charter is obtained ; 25 per cent. about one month thereafter, and the balance as the Directors may deem advisable.

Application for Shares may be addressed in the following form, and accompanied by a deposit of 10 per cent., to the Secretary, at the Company's Office, No. 100 King street :

To the Directors of the Hamilton Stove Company—

GENTLEMEN,—

Please allot me Two Hundred Shares in this Company, on account of which I have deposited the sum of \$1,000 to the account of the Company, at the Bank of Hamilton.

.....

Signature of Applicant.

Hamilton,.....188.

FORM No. 2.

THE HAMILTON STOVE COMPANY.

Office No. 100 King street,

Hamilton, 10th January, 1887.

SIR,—The Directors have this day allotted to you Two Hundred Shares in the above Company, in accordance with your application.

THOMAS TAYLOR,
Secretary.

HAMILTON STOVE COMPANY

FORM No. 3.

INSTALMENT SCRIP.

(Issued to Shareholders as receipts for payments of calls on Stock.)

*Stub.**Scrip.*

HAMILTON STOVE COMPANY.

Instalment Scrip.

No. 1.

Dated 15th February, 1887.

1198 Shares of \$50 each.

1st Instalment 10 per cent.

\$5,900.

Received receipt for same,

THOMAS BRIGHT TAYLOR.

HAMILTON STOVE COMPANY.

No. 1.

\$5,900.

Instalment Scrip.

1198 Shares of \$50 each.

RECEIVED from Thomas Bright Taylor, Esq., five thousand nine hundred dollars, being the first call of ten per cent. on eleven hundred and ninety-eight shares of the capital stock of The Hamilton Stove Company, which said shares are reserved and set apart for him or his assigns, on condition that he or they fulfil the terms of subscription.

IN WITNESS WHEREOF, we have hereunto subscribed our names at the city of Hamilton, this 18th February, 1887.

THOMAS TAYLOR,

Secretary.

WILLIAM JOHN THOMAS,
President.

FORM No. 4.

STOCK CERTIFICATE.

(When Stock has been fully paid up the Instalment Scrip is exchanged for Stock Certificates, the receipt of which by the Shareholder is acknowledged in the Stub as shown.)

<p>HAMILTON STOVE COMPANY. <i>Hamilton, 1st March, 1887.</i> <i>Certificate No. 1.</i> <i>Granted to Samuel Andrew Thomson,</i> <i>of the City of Hamilton, for Two</i> <i>Shares, paid one hundred per cent.</i> <i>Amount \$100.</i> <i>Received this Certificate,</i> <i>S. A. THOMSON.</i></p>		<p>Incorporated by Ontario Government.</p>	<p>TWO SHARES.</p>
<p>SHARES \$50 EACH.</p>		<p>HAMILTON STOVE COMPANY.</p>	
<p>THIS CERTIFIES that Samuel Andrew Thomson, of the City of Hamilton, is the owner of Two Shares of Fifty Dollars each, in the Capital Stock of the Hamilton Stove Company, on which Shares one hundred per cent. has been paid, and which Shares are transferable only on the books of the Company, by the said Samuel Andrew Thomson or his attorney on surrender of this Certificate.</p>			
<p>Dated, Hamilton, 1st March, 1888.</p>			
<p>Transfer No Transferred to..... Date of Transfer, Hamilton.....18 </p>		<p>THOMAS TAYLOR, { {Seal} Secretary. } WILLIAM JOHN THOMAS. President.</p>	

FORM No. 5.

NOTICE OF INTENTION TO APPLY FOR LETTERS
PATENT.

Public notice is hereby given that, within one month after the last publication hereof in the *Ontario Gazette*, the persons hereinafter mentioned will apply to His Honour the Lieutenant-Governor of Ontario in Council for the grant of a charter of incorporation by Letters Patent, under the provisions of "The Ontario Joint Stock Companies' Letters Patent Act."

1. That the name of the Company is to be THE HAMILTON STOVE COMPANY.

2. That the object for which incorporation is sought is the manufacture and sale of stoves.

3. That the operations of the said Company are to be carried on in the City of Hamilton, which is also to be its chief place of business.

4. That the amount of capital stock of the Company is to be two hundred thousand dollars.

5. That the number of shares is to be four thousand, and the amount of each share fifty dollars.

6. That the names in full, and the address and calling of each of the applicants, are as follows: William John Thomas, Foundryman; Samuel Andrew Thomson, Machinist; Thomas Taylor, Gentleman; Thomas Bright Taylor, Stove Manufacturer; Henry Victor Taylor, Moulder, all of the City of Hamilton, in the County of Wentworth, and Province of Ontario; and George Peter Sharpe, of the City of Edinburgh, in that part of the United Kingdom of Great Britain and Ireland called Scotland, Capitalist.

7. That the said William John Thomas, Thomas Taylor, and Thomas Bright Taylor, are to be the first Directors of the Company.

JOHN ROE,

Solicitor for the Applicants.

First inserted in *Gazette*, 7th January, 1887.

FORM No. 6.

AFFIDAVIT PROVING PUBLICATION OF NOTICE IN
GAZETTE; VERIFYING PETITION; AND AS TO
NAME OF COMPANY.

PROVINCE OF ONTARIO, County of Wentworth, To WIT:	{	IN THE MATTER OF the application of William John Thomas and others for incorporation by the issue of Letters Patent, as The Hamilton Stove Company.
---	---	--

I, William John Thomas, of the City of Hamilton, in the County of Wentworth, Foundryman, make oath and say :-

1. That I am one of the applicants herein.
2. That the allegations in the within petition contained are, to the best of my knowledge and belief, true in substance and in fact.

3. That the proposed corporate name of the said Company is not the name of any other known company incorporated or unincorporated, or liable to be unfairly confounded therewith, or otherwise on public grounds objectionable.

*4. That notice of the intention of the applicants herein to apply for the grant of Letters Patent as aforesaid, was duly given in the four consecutive issues of the *Ontario Gazette* published on the 7th, 14th, 21st and 28th January, A.D. 1887.

*5. That the clipping from the said *The Ontario Gazette*, attached to this my affidavit, and now shown to me marked A, is a true and correct copy of the said notice given as aforesaid.

Sworn before me at the City of Hamilton,
in the County of Wentworth, this seven-
teenth day of February, A.D. 1887.

W. J. THOMAS.

JOHN ROE,

A Justice of the Peace, or a Commissioner for taking

Affidavits (as the case may be).

*NOTE.—If notice was not given, strike out paragraphs 4 and 5.

FORM No. 7.

PETITION FOR LETTERS PATENT.

TO THE HONOURABLE SIR ALEXANDER CAMPBELL, K.C.M.G., ETC., ETC.

Lieutenant-Governor of the Province of Ontario in Council.

The Petition of¹ William John Thomas, Foundryman; Samuel Andrew Thomson, Machinist; Thomas Taylor, Gentleman; Thomas Bright Taylor, Stove Manufacturer; and Henry Victor Taylor, Moulder, all of the City of Hamilton, in the County of Wentworth, and Province of Ontario; and George Peter Sharpe, of the City of Edinburgh, in that part of the United Kingdom of Great Britain and Ireland called Scotland, Capitalist, humbly sheweth :

1. That your Petitioners are desirous of obtaining by Letters Patent under the Great Seal, a Charter, under the provisions of the Revised

¹ Here set out in full, legibly written, the names, residences, and legal additions or occupations of the petitioners, who must be shareholders in the proposed Company, and not less than five in number.

Statute of Ontario, Chapter 157, entitled "The Ontario Joint Stock Companies' Letters Patent Act,"¹ constituting your Petitioners and such others as may become shareholders in the Company thereby created, a body corporate and politic under the name of "The Hamilton Stove Company."

2. That your Petitioners, in accordance with the provisions of Section 6 of the said Revised Statute, have given at least four consecutive weeks' notice² in the *Ontario Gazette*, of your Petitioners' intention to apply for Letters Patent as aforesaid.

3. That the object for which incorporation is sought by your Petitioners is to manufacture and sell stoves.

4. That the operations of the said Company are to be carried on at the said City of Hamilton, which is within the Province of Ontario.

5. That the chief place of business of the said Company is to be at the City of Hamilton aforesaid.

6. That the amount of the capital stock of the said Company is to be two hundred thousand dollars.

7. That the said stock is to be divided into four thousand shares of fifty dollars each.

8. That the said William John Thomas, Thomas Taylor and Thomas Bright Taylor are to be the first Directors of the said Company.³

9. That your Petitioners have taken the amount of stock set opposite their respective names as follows :

PETITIONERS.	Amount.	*Amount paid thereon.	*How paid.
William John Thomas.....	\$59,900	\$5,990	In cash.
Samuel Andrew Thomson	100	10	do.
Thomas Taylor.....	60,000	6,000	By transfer of property.
Thomas Bright Taylor.....	59,900	5,900	do.
Henry Victor Taylor.....	100	Nothing.	
George Peter Sharpe (by his attorney Herbert Mason).....	20,000	2,000	In cash.

Your Petitioners therefore pray that your Honour may be pleased by Letters Patent under the Great Seal to grant a Charter to your Petitioners, constituting your Petitioners and such others as may become shareholders in the Company thereby created, a body corporate and politic under the name and for the purposes and objects aforesaid.

And your Petitioners, as in duty bound, will ever pray.

Signatures of Witnesses.

A. F. LOBB, as to
A. F. LOBB, as to
A. F. LOBB, as to
JOHN G. GIBSON, as to
JOHN G. GIBSON, as to
JOHN G. GIBSON, as to

Signatures of Petitioners.

W. J. THOMAS.
THOS. TAYLOR.
THOS. B. TAYLOR.
S. A. THOMSON.
H. V. TAYLOR.
G. P. SHARPE,

By his Attorney, HERBERT MASON.

Dated at Toronto, this 15th day of February, 1887.

¹If incorporation is sought under any other Act as well, its title should be interlined here as, for instance, "The Timber Slide Companies' Act," or "The Street Railway Act," or "The Act respecting Companies for Steam and Heating, or for supplying Electricity for Light, Heat or Power, etc."

²If the capital of the proposed Company is \$3,000 or under, notice may be dispensed with. If this is desired, Paragraph No. 2 should be struck out, and the following words should be added to the prayer of the Petition on Page 67, after the words "objects aforesaid"—and your petitioners farther pray that inasmuch as the capital stock of the said Company is to be dollars, Your Honour may also be pleased to dispense with the notice mentioned in Section 6 of the said Act.

³The Directors, who must be at least three in number, must be petitioners and shareholders. Each Director must hold his stock absolutely in his own right.

FORM NO. 8.

POWER OF ATTORNEY TO SIGN PETITION AND STOCK BOOK.¹

KNOW all men by these Presents that I, the undersigned, of the City of Edinburgh, in that part of the United Kingdom of Great Britain and Ireland called Scotland, do hereby make, constitute and appoint Herbert Mason, of the City of Hamilton, in the Province of Ontario, Esquire, my true and lawful Attorney, for me and in my name and stead to sign the Petition of "The Hamilton Stove Company," praying for incorporation under the Ontario Joint Stock Companies' Letters Patent Act, and also in my name and as my act and deed to sign the Stock Book of the said Company for four hundred shares of the capital

*In these columns, specify the amount, if any, paid by each Petitioner upon his stock, and show whether it was paid in cash, by transfer of property, or how otherwise. ~~For~~ If nothing has been paid, state the fact.

¹The power of Attorney should in every case be given for a specific purpose, as shewn above, and not in general terms, or for general purposes.

stock thereof at fifty dollars per share, and generally to do all lawful acts requisite and necessary for effecting the premises, hereby agreeing to ratify and confirm all that my said Attorney shall do therein.

In witness whereof I have hereunto set my hand and seal at Edinburgh, this second day of January, A.D. 1887.

Signed and sealed in the
presence of
GEORGE INGLIS.

GEORGE PETER SHARPE.

{ Seal. }

FORM No. 9.

AFFIDAVIT VERIFYING POWER OF ATTORNEY.

CITY OF EDINBURGH, } IN THE MATTER of the Power of Attorney
County of Edinburgh, } given by George Peter Sharpe, of the City
Scotland. } of Edinburgh, to Herbert Mason, of the
City of Toronto, in the Province of Ontario.

I, George Inglis, of the City of Edinburgh, Student-at-law, make oath and say :—

1. That I was personally present and did see George Peter Sharpe sign the said Power of Attorney hereunto annexed.

2. That I know the said party.

3. That the signature George Peter Sharpe is of the proper handwriting of the said party.

4. That the signature "George Inglis," attesting the signature aforesaid, is the true signature of me, this deponent.

Sworn before me at the City of }
Edinburgh, this second day of Janu- }
ary, 1887.

GEORGE INGLIS.

PETER ROWE,
Notary Public.

FORM No. 10.

AFFIDAVIT VERIFYING SIGNATURES TO PETITION.

PROVINCE OF ONTARIO, } In the Matter of the application, under the
County of Wentworth, } Ontario Joint Stock Companies' Letters Patent Act, of William John Thomas and others
To Wit. } for incorporation as The Hamilton Stove
} Company.

I, Arthur Freeman Lobb, of the City of Hamilton, in the County of Wentworth, Student-at-Law, make oath and say :

1. That I was personally present and did see William John Thomas, Thomas Taylor and Thomas Bright Taylor, applicants for incorporation by Letters Patent of the said Company, sign the petition hereunto annexed, and marked as Exhibit "A" to this my affidavit.

2. That I know the said parties.

3. That the signatures "W. J. Thomas," "Thos. Taylor," and "Thos. B. Taylor," are of the proper hand-writing of the said parties.

4. That the signatures "A. F. Lobb," attesting the signatures hereinbefore mentioned, are the true signatures of me, this Deponent.

Sworn before me at Hamilton,
in the County of Wentworth,
this seventeenth day of Feb-
ruary, A.D. 1887.

A. F. LOBB.

JOHN ROE,

A Commissioner, etc.

A similar affidavit by M. Gibson should be furnished, verifying the other signatures.

FORM No. 11.

STOCK BOOK

OF THE HAMILTON STOVE COMPANY.

To be incorporated under "The Ontario Joint Stock Companies' Letters Patent Act."

CAPITAL \$200,000, IN 4,000 SHARES OF \$50 EACH.

We, the undersigned, do hereby severally, and not one for the other, subscribe for and agree to take the respective amount of the capital stock of The Hamilton Stove Company set opposite our names as hereunder and hereafter written, and we do covenant and agree each with the other to pay the amount so subscribed, as the same may be called in by the Directors of the Company.

And we do further covenant and agree to abide by and observe the provisions of the Letters Patent of Incorporation and the By-laws, Rules and Regulations of the said Company, to be made in pursuance of its Charter or of the said Act.

Witness.	Date.	Name.	Seal	Residences.	No. of Shares.	Amount.
	1887.					
A. F. Lobb....	15 Feb.	W. J. Thomas..	L.S.	22 River st.,...	Five hundred & ninety-nine...	\$59,900 00
A. F. Lobb....	15 Feb.	Thos. Taylor,...	L.S.	180 Front st. E.	Six hundred...	00,000 00
A. F. Lobb....	15 Feb.	Thos. B. Taylor	L.S.	180 Front st. E.	Five hundred & ninety-nine...	59,900 00
John G. Gibson	17 Feb.	S. A. Thomson.	L.S.	22 River st.	One	100 00
John G. Gibson	17 Feb.	H. V. Taylor,...	L.S.	180 Sherborne st	One	100 00
John G. Gibson	17 Feb.	G. P. Sharpe... (by his Attorney H. Mason)	L.S.	Edinburgh	Four hundred..	20,000 00

FORM No. 12.

AFFIDAVIT VERIFYING SIGNATURES TO STOCK-BOOK.

PROVINCE OF ONTARIO

County of Wentworth,

To Wit.

In the matter of the application under the Ontario Joint Stock Companies' Letters Patent Act of William John Thomas and others, for incorporation under the corporate name of "The Hamilton Stove Company."

I, Arthur Freeman Lobb, of the City of Hamilton, in the County of Wentworth, Student-at-Law, make oath and say :

1. That I was personally present and did see William John Thomas, Thomas Taylor, and Thomas Bright Taylor, therein named, sign the Stock-Book of the said proposed Company, marked as exhibit A.

2. That I know the said parties.

3. That the signatures "W. J. Thomas," "Thos. Taylor," and "Thos. B. Taylor," are of the proper handwriting of the said parties.

4. That the signatures "A. F. Lobb," attesting the signatures hereinbefore mentioned, are the true signatures of me, this Deponent.

Sworn before me at the City of
Hamilton, in the County of
Wentworth, this seventeenth
day of February, A.D. 1887.

A. F. LOBB.

JOHN ROE,

A Commissioner, etc.

A similar affidavit should be made by Mr. Gibson for the purpose of verifying the other signatures.

FORM No. 13.

AFFIDAVIT VERIFYING COPY STOCK-BOOK.

PROVINCE OF ONTARIO,
County of Wentworth,
To Wit.

In the matter of the application under the Ontario Joint Stock Companies' Letter Patent Act of William John Thomas and others, for incorporation, under the corporate name of "The Hamilton Stove Company."

I, Arthur Freeman Lobb, of the City of Hamilton, in the County of Wentworth, Student-at-Law, make oath and say :

That the paper writing hereunto annexed, marked as exhibit "A," to this my Affidavit, has been carefully compared by me with the original Stock Book of "The Hamilton Stove Company," and that I find the same to be a true and correct copy thereof

Sworn before me at the City of
Hamilton, in the County of
Wentworth, this seventeenth
day of February, A.D., 1887.

A. F. LOBB.

JOHN ROE,

A Commissioner etc.

FORM No 14.

BY-LAW FOR INCREASE OF CAPITAL STOCK.

BY-LAW NUMBER 29.

A By-law to increase the capital stock of "The Hamilton Stove Company."

Whereas the capital stock of "The Hamilton Stove Company," is two hundred thousand dollars, in four thousand shares of fifty dollars each, of which nine-tenths has been taken up, and ten per centum thereon paid in :

And whereas for the due carrying out of the objects of the said Company, the Directors of the said Company consider it requisite to make a by-law for increasing the capital stock of the Company to the sum of two hundred and fifty thousand dollars.

Now, Therefore, the said Directors of "The Hamilton Stove Company" enact as follows, that is to say :

1. That the capital stock of the said Company be, and the same is hereby increased from the sum of two hundred thousand dollars to the

sum of two hundred and fifty thousand dollars by the issue of one thousand shares of new stock of fifty dollars each.

2. That the new shares be issued and allotted in such manner and proportion as the directors of the Company may deem proper for the benefit of the Company.

3. That this By-law be submitted with all due dispatch for the confirmation of the Shareholders of the Company at a General Meeting to be called for considering the same.

Passed this 3rd day of April, A.D. 1887.

THOS. TAYLOR,
Secretary.

W. J. THOMAS,
President.
{ Seal. }

Hamilton, 3rd April, 1887.

The copy of this by-law transmitted to the Provincial Secretary should have appended to it the words "Certified, under the Seal of the said Company to the Honourable the Provincial Secretary."

THOS. TAYLOR,
Secretary.

W. J. THOMAS,
President.
{ Seal. }

This by-law may be adapted for use in case of the removal of the chief place of business of the company.

FORM No. 15.

AFFIDAVIT VERIFYING BY-LAW FOR INCREASE OF CAPITAL STOCK; PROVING DUE SANCTION OF SAME AND PUBLICATION THEREOF IN ONTARIO GAZETTE.

PROVINCE OF ONTARIO,	{	In the matter of the increase of the capital stock of "The Hamilton Stove Company."
County of Wentworth,		
To Wit.		

1, Thomas Taylor, of the said City of Hamilton, Esquire, make oath and say :

1. That I am the Secretary of the said "The Hamilton Stove Company."

2. That the annexed paper writing marked "A" to this my affidavit, is a true and correct copy of By-law Number 29, passed on the 3rd April, 1887, by the Directors of the said Company, for the purpose of increasing the capital stock of the said Company, from the sum of two hundred thousand dollars, to the sum of two hundred and fifty thousand dollars.

sand dollars, by the issue of one thousand shares of new stock of fifty dollars each.

3. That the said By-law was sanctioned by a vote of not less than two-thirds in value of the Shareholders of the said Company, present in person or by proxy at a general meeting of the Company duly called for considering the By-law, and held on the 11th May, 1887.

4. That a copy of the said By-law, has been certified under the seal of the Company to the Provincial Secretary, marked "B."

Sworn before me at the City of Hamilton, }
in the County of Wentworth, this 12th day } THOS. TAYLOR.
of May, 1887.

JOHN ROE,
A Commissioner, etc.

This affidavit may be adapted for use in case of the increase or decrease of the number of directors.

FORM No. 16.

BY-LAW OF COMPANY REGULATING THE CALLING OF A GENERAL MEETING.

"C"

BY-LAW No. 2.

Whereas, the directors of the Hamilton Stove Company deem it expedient that certain by-laws for regulating the affairs of the Company should be made. Now, therefore, be it enacted, and it is hereby enacted,

That a general meeting of Shareholders, may be called at any time by the Directors, when they may deem the same necessary or advisable for any purpose, not contrary to law, or the letters patent of the Company, or the Statute, and it is incumbent on the President to call a special meeting of the shareholders whenever required so to do in writing, by one-fourth part in value of the Shareholders of the Company, for the transaction of any business specified in such written requisition and notice, calling the meeting.

Notice of the time and place for holding general meetings of the Company, must be given at least ten days previously thereto in *The Evening Times*, and also by mailing the same as a registered letter, duly addressed to each shareholder at least ten days previous to such meeting.

E

FORM No. 17.

AFFIDAVIT VERIFYING BY-LAW REGULATING THE
CALLING OF A GENERAL MEETING.

PROVINCE OF ONTARIO, } In the matter of the By-law of "The Hamil-
County of Wentworth, } ton Stove Company" regulating the calling
To Wit. } of meetings.

I, Thomas Taylor, of the City of Hamilton, in the County of Wentworth, Secretary of the above named Company, make oath and say :

That the annexed paper marked "C" is a true and correct copy of By-law Number 2, regulating the calling of special general meetings of the Company.

Sworn before me at the City of Hamilton, }
in the County of Wentworth, this third day of } THOS. TAYLOR.
April, 1887.

JOHN ROE,
A Commissioner, etc.

FORM No. 18.

NOTICE IN LOCAL NEWSPAPER OF A SPECIAL GENERAL
MEETING.

"A"

NOTICE.

A Special General Meeting of the Shareholders of the Hamilton Stove Company, for considering and sanctioning By-law No. 29 (passed by the Directors, 3rd April, 1887), for the increase of the capital stock of the Company, from the sum of two hundred thousand dollars to the sum of two hundred and fifty thousand dollars, by the issue of one thousand shares of new stock of fifty dollars each, will be held at the Company's office, in the City of Hamilton, on Wednesday, the 11th day of May next, at the hour of 10 o'clock in the forenoon.

By Order,
THOS. TAYLOR,
Secretary.

This form may be used for notice in Ontario Gazette if necessary.

FORM No. 19.

AFFIDAVIT PROVING DUE CALLING OF A GENERAL MEETING AND VERIFYING NOTICE IN LOCAL NEWSPAPER.

PROVINCE OF ONTARIO, }
 County of Wentworth, } In the matter of a general meeting of
 To Wit. } "The Hamilton Stove Company."

I, Thomas Taylor, of the City of Hamilton, in the County of Wentworth, Esquire, make oath and say :—

1. That I am the Secretary of the said "The Hamilton Stove Company."

2. That a general meeting of the Shareholders of the said Company was held at the said City of Hamilton on the 11th May, A.D. 1887.

3. That the said meeting was duly called pursuant to the By-law¹ of the Company, by giving notice thereof on the 1st May, 1887, in *The Evening Times*, a newspaper published at the said City of Hamilton, and by mailing the same, as a registered letter, duly addressed to each shareholder, at least ten days previous to such meeting.

4. That the clipping from the said *The Evening Times*, attached to this my affidavit, and now shown to me marked "A," is a true and correct copy of the said notice given as aforesaid.

5. That said meeting was called for considering By-law No. 29 of the said Company, increasing the capital stock of the Company from the sum of two hundred thousand dollars to the sum of two hundred and fifty thousand dollars by the issue of one thousand shares of new stock of fifty dollars each—

Sworn before me at the City of }
 Hamilton, in the County of Went- } THOS. TAYLOR.
 worth this 11th day May, A.D. 1887. }

JOHN ROE,

A Commissioner.

FORM No. 20.

AFFIDAVIT PROVING DUE CALLING OF GENERAL MEETING WHERE NO BY-LAW FOR THE PURPOSE HAS BEEN PASSED,² AND VERIFYING NOTICE

IN LOCAL NEWSPAPER AND ONTARIO

GAZETTE.

PROVINCE OF ONTARIO, }
 County of Wentworth, } In the matter of the calling of a general
 To Wit. } meeting of "The Hamilton Stove Com-
 } pany."

¹Provisions of the Statute, or of the Letters Patent, or of a By-law of the Company made for the purpose as the case may be.

²If the meeting was called under special provisions in the Charter, the affidavit must be drawn to suit the circumstances.

I, Thomas Taylor, of the City of Hamilton, in the County of Wentworth, Secretary of the above named Company, make oath and say :—

1. That a notice calling a general meeting of "The Hamilton Stove Company," for the 11th day of May, 1887, at the Company's office, in the City of Hamilton, for the purpose of considering and sanctioning By-law No. 29 (made by the Directors 3rd April, 1887), increasing the capital stock of the Company from the sum of two hundred thousand dollars to the sum of two hundred and fifty thousand dollars by the issue of one thousand shares of new stock of fifty dollars each, was inserted in *The Evening Times*, a newspaper published at the chief place of business of the Company, on the 1st day of May, 1887.

2. That at least ten days previous notice of the said meeting was given in the said *The Evening Times*.

3. That the newspaper cutting hereto annexed and marked "A," to this my affidavit is a true copy of the said notice.

4. That at least ten days' notice was also given by publishing the same in the *Ontario Gazette* (or as the case may be, by mailing the same as a registered letter duly addressed to each shareholder of the said Company.)¹

5 That the clipping from the said the *Ontario Gazette*, attached to this my affidavit, and now shewn to me marked "A," is a true and correct copy of the said notice given as aforesaid.

Sworn before me at the city of Hamilton, in the County of Wentworth,
this 11th day of May, A.D. 1887.

THOS. TAYLOR.

JOHN ROE,
A Commissioner, etc.

FORM No. 21.

PETITION FOR SUPPLEMENTARY LETTERS PATENT INCREASING CAPITAL STOCK.

To the Honourable Sir Alexander Campbell, K.C.M.G., Lieutenant-Governor of the Province of Ontario in Council :

The petition of the Directors of "The Hamilton Stove Company."

Humbly sheweth :

1. That your petitioners are the Directors of "The Hamilton Stove Company."

¹ Clause 4 does not apply to companies whose capital is \$3,000 or less.

2. That the said Company was incorporated under "The Ontario Joint Stock Companies' Letters Patent Act," by Letters Patent, dated 21st February, A.D. 1887.

3. That the capital stock of the said Company, by the said Letters Patent, was fixed at two hundred thousand dollars, of which nine-tenths has been taken up and ten per centum thereon paid in.

4. That the said capital is insufficient for the purposes of the said Company.

5. That your Petitioners made on the third day of April, A.D. 1887, a By-law increasing the capital stock of the said Company to the sum of two hundred and fifty thousand dollars, such amount being considered by your petitioners requisite for the due carrying out of the objects of the Company.

6. That the said By-law was sanctioned by a vote of not less than two-thirds in value of the shareholders at a general meeting of the Company, duly called for considering the same, held at the City of Hamilton, on the eleventh day of May, A.D. 1887.

7. That your Petitioners, in accordance with the provisions of the said Act, have given four weeks' notice in the *Ontario Gazette*, of their intention to apply for Supplementary Letters Patent confirming the said By-law.

Your Petitioners therefore pray that your Honour may be pleased to grant under the Great Seal, Supplementary Letters Patent confirming the said By-law

And your Petitioners, as in duty bound, will ever pray.

Witness :

JOHN ROE, }



W. J. THOMAS,
THOS. TAYLOR,
THOS. B. TAYLOR.

Dated at Hamilton,
this sixth day of June, A.D. 1887.

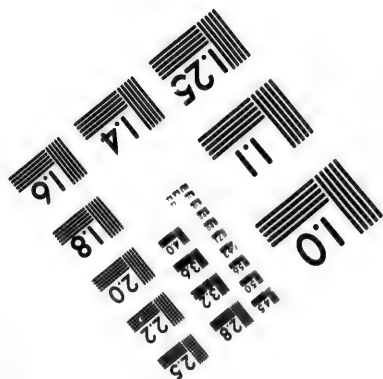
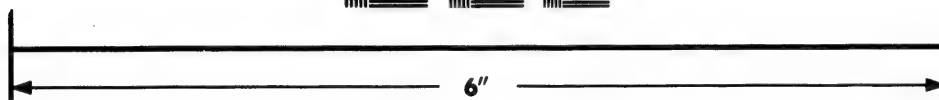
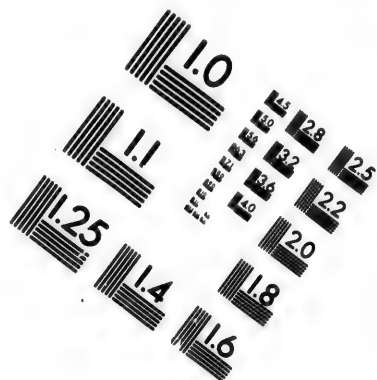
FORM No. 23.

AFFIDAVIT VERIFYING SIGNATURES TO PETITION FOR SUPPLEMENTARY LETTERS PATENT.

PROVINCE OF ONTARIO, County of Wentworth,	}	In the matter of the Petition of the "Hamilton Stove Company" for Supplementary Letters Patent, confirming a By-law increasing the capital stock of the Company.
--	---	--

To Wit.

I, John Roe, of the city of Hamilton, in the County of Wentworth, Barrister-at-Law, make oath and say :—



Photographic Sciences Corporation

**23 WEST MAIN STREET
WEBSTER, N.Y. 14580
(716) 872-4503**



1. That I was personally present and did see William John Thomas, Thomas Taylor and Thomas Bright Taylor, the Directors of the said Company, sign the Petition for Supplementary Letters Patent, marked as exhibit "A."

2. That I know the said parties.

3. That the signatures "W. J. Thomas," "Thos. Taylor," and "Thos. B. Taylor," are of the proper handwriting of the said parties.

4. That the signature "John Roe," attesting the signatures herein-before mentioned, is the true signature of me this Deponent.

Sworn before me at the city of
Hamilton, in the County of Went-
worth, this sixth day of June, 1887. }

JOHN ROE.

R. W. EVERETT,

Commissioner, etc.

FORM No. 23.

NOTICE IN ONTARIO GAZETTE, OF APPLICATION FOR SUPPLEMENTARY LETTERS PATENT.

NOTICE is hereby given that, within six months from the eleventh day of May, A.D. 1887, the date of the sanction thereof by the Shareholders of the Company, application under "The Ontario Joint Stock Companies Letters Patent Act," will be made by the Directors of "The Hamilton Stove Company," to the Lieutenant-Governor of the Province of Ontario in Council, for the grant of Supplementary Letters Patent, to confirm a By-law for increasing the capital stock of the said "The Hamilton Stove Company," from two hundred thousand dollars to two hundred and fifty thousand dollars, by the issue of one thousand shares of new stock of fifty dollars each.

JOHN ROE,

Solicitor for Applicants.

First inserted in *Gazette*,
14th day of May, 1887.

FORM No. 24.

AFFIDAVIT VERIFYING NOTICE IN ONTARIO GAZETTE OF APPLICATION FOR SUPPLEMENTARY LETTERS PATENT.

PROVINCE OF ONTARIO,
County of Wentworth,
to Wit :

In the matter of the application of "The
Hamilton Stove Company," for Supplemen-
tary Letters Patent, confirming a By-law in-
creasing the capital stock.

I, John Roe, of the City of Hamilton, in the County of Wentworth, Barrister-at-Law, make oath and say :

1. That notice has been given in the *Ontario Gazette*, of the application for Supplementary Letters Patent, confirming the said By-law, a copy of which notice marked " D " is hereunto annexed.

2. That the said notice was published in the issues of the said *Gazette*, of the fourteenth, twenty-first and twenty-eighth days of May, and the 4th day of June, A.D. 1887.

Sworn before me at the City of Hamilton, in the County of Wentworth, }
this sixth day of June, A.D. 1887. }

JOHN ROE.

R. W. EVERETT,

A Commissioner, etc.

FORM No. 25.

AFFIDAVIT RESPECTING BONA FIDE CHARACTER OF INCREASE OF CAPITAL STOCK.

PROVINCE OF ONTARIO, } In the matter of the petition of "The
County of Wentworth, } Hamilton Stove Company," for Supplemen-
To Wit : } tary Letters Patent, to confirm a By-law
for the increase of the capital stock thereof.

I, William John Thomas, of the City of Hamilton, in the County of Wentworth, make oath and say :

1. That I am the President of "The Hamilton Stove Company," and that I have a knowledge of the matters herein deposed to.

2. That nine-tenths of the stock of the Company has been taken up, and ten per centum thereon paid in.

3. That the present capital of the Company is insufficient for the purposes of the Company.

4. That the proposed increase in the capital stock of the company is *bona fide*, and in the opinion of the Directors requisite and necessary for the due carrying out of the objects of the Company.

5. That the allegations in the said petition contained are to the best of my knowledge and belief true in substance and in fact.

Sworn before me at the City of Hamilton, in the County of Wentworth, this 6th day of June, A.D. 1887. }

W. J. THOMAS.

JOHN ROE,

A Commissioner, etc.

FORM No. 26.

BY-LAW INCREASING (OR DECREASING) THE NUMBER OF DIRECTORS.

BY-LAW NUMBER 30.

Whereas the number of the Directors of "The Hamilton Stove Company" is three (*or as the case may be*), and it is expedient that the number should be increased ;

Now therefore, the Directors of the said "The Hamilton Stove Company" enact as follows :

That the number of Directors of the said Company be and the same is hereby increased (*or, decreased*) to five.

Dated at Hamilton, this seventh day of June, A.D. 1887.

THOS. TAYLOR,

Secretary.

W. J. THOMAS,

President.

{ Seal. }

FORM No. 27.

NOTICE PUBLISHING BY-LAW IN ONTARIO GAZETTE,
CHANGING NUMBER OF DIRECTORS.

Under the provisions of R.S.O. 1887, Chap. 157, Sec. 35, the Directors of the Hamilton Stove Company, hereby give public notice that they have passed the following By-law :

Whereas the number of Directors of the Hamilton Stove Company, is three (*or, as the case may be*) and it is expedient that the number should be increased.

Now, therefore, the Directors of the said The Hamilton Stove Company enact as follows :

That the number of Directors of the said Company be and the same is hereby increased to five.

THOMAS TAYLOR,

Secretary.

W. J. THOMAS,

President.

{ Seal. }

Dated at Hamilton,

this seventh day of June, A.D. 1887.

FORM No. 28.

NOTICE OF APPLICATION FOR CHANGE OF CORPORATE
NAME.

NOTICE.

Public notice is hereby given that (1) "The Hamilton Stove Company," a Company incorporated under the Ontario Joint Stock Companies' Letters Patent Act, will, after four weeks from the first publication hereof, in the *Ontario Gazette*, and in *The Evening Times*, a newspaper published in the locality in which the operations of the said Company are carried on, apply under the Act respecting the Changing of the names of Incorporated Companies, to His Honour the Lieutenant-Governor of Ontario in Council, for an Order changing its corporate name to that of "The Toronto Stove Company."

2. That the said Company is in a solvent condition.

3. That the change desired is not for any improper purpose, it being the intention of the said Company to remove its works to the said City of Toronto.

4. That the name desired is not the name of any other Company, incorporated or unincorporated, or liable to be unfairly confounded therewith, or otherwise on public grounds objectionable.

JOHN ROE,

Solicitor for the Company.

First inserted in *Gazette*,
2nd day of July, 1888.

A similar form may be used for notice in local newspaper.

FORM No. 29.

AFFIDAVIT PROVING PUBLICATION OF NOTICE OF
APPLICATION FOR CHANGE OF NAME.

PROVINCE OF ONTARIO,

County of Wentworth,

To Wit :

In the matter of the application under "The Act respecting the Changing of the names of incorporated Companies," of "The Hamilton Stove Company," a Company carrying on business at the City of Hamilton, for an Order in Council changing its name.

I, Richard Doe, of the City of Hamilton, in the County of Wentworth, Student at Law, make oath and say :

1. That four weeks previous notice of the intention of "The Hamilton Stove Company" to apply for an Order of His Honour the Lieut-

enant-Governor in Council, changing its corporate name to that of "The Toronto Stove Company," was inserted in the *Ontario Gazette*, on the following dates, viz: July 2nd, 9th, 16th and 23rd, A.D. 1887, and that the cutting from the said *Ontario Gazette* hereto annexed and marked as exhibit "A" to this my affidavit is a true copy of the said notice.

Sworn before me at the City of Hamilton, in the County of Wentworth, }
this 25th day of July, A.D. 1887.

RICHARD DOE.

JOHN ROE,

A Commissioner, etc.

A similar affidavit is required verifying the notice in the local newspaper, with this addition:

2. That the said (name of newspaper referred to) is a newspaper published in the locality in which the operations of the said Company are carried on.

FORM No. 30.

PETITION FOR ORDER IN COUNCIL CHANGING NAME OF COMPANY.

To the Honourable Sir Alexander Campbell, K.C.M.G., etc., Lieutenant-Governor of the Province of Ontario in Council.

The petition of "The Hamilton Stove Company,"

Humbly sheweth:

1. That the above named Company was incorporated under a general Act, viz., "The Ontario Joint Stock Companies' Letters Patent Act," by Letters Patent under the Great Seal bearing date the twenty-first day of February, A.D. 1887.
2. That your petitioners are desirous of changing their corporate name to that of "The Toronto Stove Company."
3. That your petitioners are in a solvent condition, as is shown by the statement in General Balance-Sheet of the Company, hereto annexed.
4. That the change desired by your petitioners is not for any improper purpose, and is not otherwise objectionable, the object of your petitioners being to remove the works of the said Company to the said City of Toronto.
5. That the name desired is not the name of any other known Company, incorporated or unincorporated, or liable to be unfairly confounded therewith.

Your petitioners therefore pray that your Honour will be pleased by Order in Council to change their corporate name from that of "The Hamilton Stove Company," to that of "The Toronto Stove Company."

And your Petitioners, as in duty bound, will ever pray.

THOMAS TAYLOR,
Secretary.

W. J. THOMAS,
President.

{ Seal. }

Date: at Hamilton,
25th July, A.D. 1887.

FORM No. 31.

AFFIDAVIT VERIFYING PETITION FOR CHANGE OF NAME.

PROVINCE OF ONTARIO, County of Wentworth, To Wit.	}	In the matter of the petition of "The Hamilton Stove Company," for an Order of His Honour the Lieutenant-Governor in Council, changing its corporate name to that of "The Toronto Stove Company."
---	---	---

I, William John Thomas, of the City of Hamilton, in the County of Wentworth, President of the Company, make oath and say:

1. That the allegations in the within petition contained are to the best of my knowledge and belief true in substance and in fact.

Sworn before me at the City of Hamilton, in the County of Wentworth,
this 25th day of July, A.D. 1887.

W. J. THOMAS.

JOHN ROE,
A Commissioner, etc.

FORM No. 32.

AFFIDAVIT VERIFYING SIGNATURES TO PETITION.

PROVINCE OF ONTARIO, County of Wentworth, To Wit. ,	}	In the matter of the application under the Act, "The Act respecting the changing of the names of Incorporated Companies" of "The Hamilton Stove Company," a Company carry- ing on business at the City of Toronto, for an Order in Council changing its name.
---	---	--

I, Arthur Freeman Lobb, of the City of Hamilton, in the County of Wentworth, Student at Law, make oath and say :

1. That I was personally present, and did see William John Thomas and Thomas Taylor, President and Secretary respectively, of the said Company, sign the said Petition, marked as exhibit "A"; that I know the said parties, and that the signatures "W. J. Thomas" and "Thos. Taylor" are of the proper handwriting of the said parties.

Sworn before me at the City of
Hamilton, in the County of
Wentworth, this 25th day of
July, A.D. 1887.

A. F. LOBB

J. ROE,

A Commissioner, etc.

FORM No. 33.

EVIDENCE OF THE COMPANY'S SOLVENCY.

This should consist of a Balance Sheet or of a Statement specially prepared for the purpose, setting out the Company's affairs in detail, sufficient to satisfy the Lieutenant-Governor in Council.

As the Act under which the change of name is to be granted, makes proof of the solvency of the applicants, a *sine qua non*, the Provincial Secretary requires that the evidence to be given on that head shall be clear and convincing. Such evidence may consist of (1.) The last Balance sheet of the Company if of sufficiently recent date, or (2) of a General Statement of the Company's affairs, specially made by competent authority, and setting forth the material facts. The Balance Sheet or the Statement, as the case may be, must be verified by the affidavit of some one conversant with the affairs of the applicants.

FORM No. 34.

LETTERS PATENT.

ALEXANDER CAMPBELL.

{ L.S. }

O. MOWAT,

Attorney-General.

VICTORIA, by the Grace of God, of the United Kingdom
of Great Britain and Ireland, QUEEN, defender
of the Faith, etc., etc., etc.

To all to whom these Presents shall come—

GREETING—

LETTERS PATENT

INCORPORATING

The**Hamilton Stove****Company.***Recorded 21st Feb-
ruary, 1887.
As No. 62.***J. F. C. USSHER,**
Deputy Reg

WHEREAS by the Revised Statute of the Legislature of our Province of Ontario, entitled "An Act respecting the Incorporation of Joint Stock Companies by Letters Patent," it is provided that the Lieutenant-Governor of Our said Province in Council may by Letters Patent, under the Great Seal of Our said Province, grant a Charter to any number of persons, not less than five, who shall petition therefor, constituting such persons, and others who may become shareholders in the Company thereby created, a body corporate and politic, for any purposes or objects to which the legislative authority of the said Legislature extends, except the construction and working of Railways and the business of Insurance.

AND WHEREAS, by Petition addressed to our Lieutenant-Governor of Ontario in Council, William John Thomas, Foundryman; Samuel Andrew Thomson, Machinist; Thomas Taylor, Gentleman; Thomas Bright Taylor, Stove Manufacturer; and Henry Victor Taylor, Moulder, all of the City of Hamilton, in the County of Wentworth, in the said Province of Ontario, and George Peter Sharpe, of the City of Edinburgh, in that part of the United Kingdom, of Great Britain and Ireland called Scotland, Capitalist, have prayed that a Charter may be granted to them, constituting them, and such other persons as are or may become shareholders in the proposed Company, a body corporate and politic for the purposes and objects following, that is to say: The manufacture of stoves under the name of "The Hamilton Stove Company."

AND WHEREAS it is stated by the said Petition that the amount of the said stock taken by each of the applicants is as follows:—By the said William John Thomas and Thomas Bright Taylor each fifty-nine thousand nine hundred dollars; by the said Thomas Taylor, sixty thousand dollars; by the said Samuel Andrew Thomson and Henry Victor Taylor, each one hundred dollars, and by the said George Peter Sharpe, twenty thousand dollars.

AND WHEREAS it has been proved to the satisfaction of our Lieutenant-Governor-in-Council, that the said applicants have complied with all the requirements of the said Act, as to matters preliminary to the issue of Letters Patent, and that a notice of the said application containing the particulars required by the fourth section of the said Act has been duly given in the *Ontario Gazette*, in accordance with the provisions of the said Act.

NOW KNOW YE, that by and with the advice of Our Executive Council of Our Province of Ontario, and under the authority of the hereinbefore in part recited Statute, and of any other power or authority whatsoever in us vested in this behalf. We do by these Our Letters Patent constitute the said William John Thomas, Samuel Andrew Thomson, Thomas Taylor, Thomas Bright Taylor, Henry Victor Taylor and George Peter Sharpe, and each and all such other person or persons as now is, or are, or shall at any time hereafter become a shareholder or shareholders in the said Company, under the provisions of the said Act, a body corporate and politic, with perpetual succession, and a common seal, by the name of "The Hamilton Stove Company," and capable forthwith of exercising all the functions of an incorporated Company for the purposes and objects aforesaid, as if incorporated by a special Act of the Legislature of Ontario, and by their corporate name, of suing and being sued, pleading and being impleaded in all courts, whether of law or equity, and with the powers in the said Act, more particularly set forth : And we direct that the capital stock of the said Company be two hundred thousand dollars, and be divided into four thousand shares of fifty dollars each, and that the operations of the said Company are to be carried on at the said City of Hamilton ; that the chief place of business of the said Company is to be at the said City of Hamilton ; and that the said William John Thomas, Thomas Taylor, and Thomas Bright Taylor, be the first Directors of the said Company.

And we further direct that no parcel of lands or interest therein at any time acquired by the said Company, and not required for its actual use and occupation, or not held by way of security, or not situate within the limits or within one mile of the limits of any city or town in the said Province, shall be held by the said Company or by any trustee on their behalf for a longer period than seven years after the acquisition thereof, but shall be absolutely sold and disposed of, so that the Company shall no longer retain any interest therein unless by way of security.

And we further direct that any such parcel of land or any interest therein, not within the exceptions hereinbefore mentioned which shall be held by the said Company for a longer period than seven years, without being disposed of, shall be forfeited to Her Majesty for the uses of the said Province.

And we further direct that no such forfeiture shall take effect or be enforced until the expiration of at least six calendar months after notice in writing to the said Company of the intention of the Government to claim such forfeiture, and it shall be the duty of the Company to give to the Lieutenant-Governor, when required, a full and correct

statement of all lands at the date of such statement held by the Company, or in trust for the Company, and subject to this Proviso.

And we further direct that the Company shall be subject to the provisions of said Act, being Chapter 157 of the Revised Statutes of Ontario, 1837, intituled "An Act respecting the incorporation of Joint Stock Companies by Letters Patent," and to such further and other provisions as the Legislature of Ontario may hereafter deem expedient in order to secure the due management of its affairs and the protection of its shareholders and creditors.

The Charter of the Company shall be forfeited by non user during three consecutive years, at any one time, or if the Company does not go into actual operation within three years after it is granted ; and no declaration of such forfeiture by any Act of the Legislature shall be deemed an infringement of such Charter.

The Charter of the Company may at any time be declared to be forfeited and may be revoked and made void by Order of our Executive Council for our Province of Ontario, on sufficient cause being shown to us in that behalf, and such forfeiture, revocation and making void may be upon such conditions and subject to such provisions as to us may seem proper.

IN TESTIMONY WHEREOF, We have caused these Our Letters to be made Patent, and the Great Seal of Our said Province of Ontario to be hereunto affixed :

WITNESS, the HONOURABLE SIR ALEXANDER CAMPBELL, Knight Commander of Our Most Distinguished Order of St. Michael and St. George, Member of Our Privy Council for Canada, &c., &c., LIEUTENANT-GOVERNOR of Our Province of Ontario, at Our Government House, in Our City of Toronto, in Our said Province, this twenty-first day of February, in the year of our Lord one thousand eight hundred and eighty-seven, and in the fiftieth year of Our Reign.

By Command,

ARTHUR S. HARDY.

Secretary.

FORM No. 35.

LIST OF SHAREHOLDERS.

List, in duplicate, of all persons who, on the 31st December, 188—, were shareholders in the _____, as required by Sec. 57, Cap. 157, R. S. O.

Names of Shareholders alphabetically arranged.	Address.	Calling.	Amount of Stock held.		Amount unpaid on Stock.	
			\$	cts.	\$	cts.

FORM No. 36.

AFFIDAVIT VERIFYING THE ABOVE LIST, AND THE
ATTACHED SUMMARY OF THE AFFAIRS
OF THE COMPANY.

PROVINCE OF ONTARIO, } In the matter of the Annual returns of
 } the¹
 } We², and³
 County of } of⁴, President and Secretary
 } of the above named Company, respectively,
 To Wit : } make oath and say :—

1. That the above list of the Shareholders, and the Summary of the affairs of the said Company hereto attached, are, to the best of our knowledge, information and belief, true and correct in every particular.

Sworn Before me at } of }
 in the } day of } (For Signature of Deponent.)
 this } }
 } , a J. P. in and for the County of

FORM No. 39.

PROXY.

HAMILTON STOVE COMPANY.

I, George Peter Sharpe, of the City of Edinburgh, in that part of the United Kingdom of Great Britain and Ireland called Scotland, being a

(1) Insert name of Company. (2) Insert name of President. (3) Insert name of Secretary. If there are no such officers, or they, or either of them, are, or is, at the proper time out of this Province, or otherwise unable to make the same, insert the name of the President or Secretary and one of the Directors, or two of the Directors as the case may require. (4) Insert city, town, village, or name of place. (5) If the President or Secretary does not make or join in the affidavit, state the reason thereof here.

holder of 400 shares in the stock of the company, hereby appoint and authorize Herbert Mason, of Hamilton, Esquire, to vote for me and on my behalf at the ordinary (or extraordinary, *as the case may be*) general meeting of this Company, to be held on day of , and at any adjournment thereof (or at any meeting of the Company that may be held within the present year.)

Witness my hand and seal this day of 188 .
Signed in the presence of

J. JONES.

[Seal.]

G. P. SHARPE.

FORM No. 40.

POWER OF ATTORNEY TO MAKE TRANSFERS, RECEIVE DIVIDENDS, ETC.

Know all men by these presents, that I....., do make constitute and appoint..... of..... my true and lawful attorney for me and in my name and on my behalf, to sell, assign and transfer the within shares in the capital of the Hamilton Stove Company, to me belonging, to receive the consideration money, and to give a receipt or receipts for the same, to receive and give receipts for all dividends that are now due, and that shall hereafter become due and payable on the same, for the time being, and generally to do all lawful acts requisite for effecting the premises, hereby ratifying and confirming all that my said attorney shall do therein.

In witness whereof, I have hereunto set my hand and seal at this..... day of....., in the year of Our Lord, one thousand eight hundred and

Signed and sealed in the {
presence of {

BY-LAWS.

The following are given as examples of by-laws in general, which Companies can alter to suit their respective circumstances and requirements, but every by-law must have the preamble and enacting clause as given herewith :—

Whereas the Directors of The Hamilton Stove Company deem it expedient that certain By-laws for regulating the affairs of the Company should be made.

Now therefore be it enacted, and it is hereby enacted.

MEETINGS.

1. That the annual meeting of the shareholders shall be held at the office of the Company on the first Monday in January in each year, to receive the report of the Directors for the past year, to elect Directors for the ensuing year, and for all other general purposes relating to the management of the Company's affairs.

2. That a general meeting of the shareholders may be called at any time by the Directors whenever they may deem the same necessary or advisable for any purpose not contrary to law, or the Letters Patent of the Company or the Statute, and it is incumbent on the President to call a special meeting of the shareholders whenever required so to do in writing by one-fourth part in value of the shareholders of the Company, for the transaction of any business specified in such written requisition and notice calling the meeting.

3. That notice of the time and place for holding the annual or a general meeting of the Company must be given at least ten days previously thereto in the *Evening Times*,¹ and also by mailing the same as a registered letter² duly addressed to each shareholder at least ten days previous to such meeting.

4. That meetings of the Directors shall be held as often as the business of the Company may require, and shall be called by the President.

5. That at general meetings of the Company, every shareholder shall be entitled to as many votes as he owns shares in the Company, and may vote by proxy.

¹Or in some newspaper published at or as near as may be to the office or chief place of business of the Company, or by publishing the same in the *Ontario Gazette*.

²The publishing of the notice of meeting in the *Gazette*, or the mailing the same as a registered letter, does not apply to companies having a capital not exceeding three thousand dollars.

6. That questions at meetings shall be decided by a majority in value of the shareholders present, either in person or by proxy, and in case the number of votes is equal the President or Chairman shall have a deciding or casting vote.

DIRECTORS

7. That the affairs of the Company shall be managed by a board of five Directors, of whom three shall form a quorum.

8. That the President and Vice-President shall be chosen by the Directors from amongst themselves at the first board meeting after the annual meeting.

9. That the President shall, if present, preside at all meetings of the Company. He shall call meetings of the Board of Directors and Shareholders when necessary, and shall advise with and render such assistance to the Manager as may be in his power. In his absence the Vice-President shall have and exercise all the rights and powers of the President. A Director may at any time summon a meeting of Directors.

10. That questions arising at any meeting of Directors shall be decided by a majority of votes. In case of an equality of votes, the Chairman, in addition to his original vote, shall have a casting vote.

11. That the Secretary shall keep a record of the proceedings at all meetings of the Board and of the Shareholders of the Company, and shall be the custodian of the seal of the Company, and of all books, papers, records, etc., belonging to the Company, which he shall deliver when authorized so to do by a resolution of the Board, to such person, or persons, as may be named in the resolution.

12. That any Shareholder, not in arrears for payments for calls upon his stock, may be elected a Director.

13. That the Directors shall hold office for one year and until their successors shall be elected.

14. That in case of the death of a Director, or his being unable to act as such, or his ceasing to be a Shareholder, the vacancy thereby created may be filled for the unexpired portion of the term by the Board from among the qualified Shareholders of the Company.

15. That the Company shall have a corporate seal of such design as the Board may determine, which seal shall whenever used be authenticated by the signatures of the President and Secretary.

16. That the Board shall from time to time fix the salary or wages to be paid officers of the Company.

STOCK.

17. That calls upon subscribed stock shall be made from time to time as the Board may determine—no call shall exceed twenty-five per cent. of the subscribed stock, and there shall be an interval of at least thirty days between calls.

18. That it shall not be compulsory on the Board to receive full payment of any share or shares until the same shall have been demanded by call.

19. That the Board shall have power to summarily forfeit shares and the money paid thereon, upon which any call shall have remained unpaid for six months after it shall be due and payable, and such forfeit stock shall thereupon become the property of the company.

20. That receipts for payments of calls shall be issued from time to time as such payments are made, but stock certificates shall only be issued when shares are fully paid up, and both receipt and certificate shall be authenticated by the signature of the President and Secretary, and sealed with the Company's seal.

21. That shareholders may, with the consent of the Board, but not otherwise, transfer their shares, and such transfers shall be recorded in a book provided for the purpose, and signed by him and his transferee and duly witnessed, but no person shall be allowed to hold or own stock in the Company without the consent of the Board.¹

ACCOUNTS.

22. That the Directors shall cause true accounts to be kept,—
Of the stock in trade of the Company.

Of the sums of money received and expended by the Company, and the matter in respect of which such receipt and expenditure takes place; and

Of the credits and liabilities of the Company.

23. That the books of accounts shall be kept at the head office of the Company, and shall be open to the inspection of the members during the hours of business.²

24. That once at least in every year the Directors shall lay before the Company in general meeting a statement of the income and expenditure for the past year. A balance sheet shall be made out in every year, or oftener if desirable, and laid before the Company in general meeting, and such balance sheet shall contain a summary of the property and liabilities of the Company arranged under the necessary headings.

BANK ACCOUNT.

25. That a bank account shall be kept in the name of the Company at a bank to be selected by the Board, and all cheques shall be signed by the Secretary and Treasurer.

¹This rule may be desirable under certain circumstances, but as a general thing the owner of fully paid up shares can transfer them at will. The consent of the Board must be had when transferring shares that are not fully paid up, and the new holder should be as responsible a person as the old.

²Restrictions as to the time and manner of inspecting the books may be imposed by the Company in general meeting, or it may, in certain cases, be well to strike this by-law out altogether.

SOLICITOR.

26. That Charles Brown, of Hamilton, Esq., shall be the solicitor of the Company, but he may at any time be removed by a resolution of the Company, passed in general meeting.

AUDITORS.

27. That one or more Auditors shall be appointed annually by the Shareholders at the annual general meeting, whose duty it shall be to examine all books, vouchers and accounts of the Company and all documents having reference to the business thereof, and to prepare a balance sheet and abstract of the affairs of the Company and submit the same to the Board as soon after the close of the financial year as possible, together with such suggestions or recommendations as they may think fit.

CHANGING BY-LAWS.

28. That the Board may from time to time repeal, amend and re-enact these by-laws, but such change, unless in the meantime confirmed at a general meeting duly called for the purpose, shall only have force until the next annual meeting of the Company, and if not confirmed thereat, shall from that time only cease to have any force.

CHAPTER 178.

An Act respecting the Changing of the Names of Incorporated Companies.

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario enacts as follows :—

1. Where an incorporated company within the legislative authority of the Legislature of this Province, whether incorporated under a special or general Act, is desirous of changing its name, the Lieutenant-Governor, upon being satisfied that the company is in a solvent condition, that the change desired is not for any improper purpose, and is not otherwise objectionable, and that the notice hereinafter provided for has been duly given, may, by Order in Council, change the name of the company to some other name set forth in the said order.

2. When the applicants are a trading corporation or a company carrying on business for profit, the company shall give at least four weeks' previous notice in the *Ontario Gazette* and in some newspaper published in the locality in which the operations of the company are carried on, of the intention to apply for the change of name, and shall state the name proposed to be adopted.

3. In case the proposed new name is considered objectionable, the Lieutenant-Governor in Council may, if he thinks fit, change the name of the company to some other unobjectionable name without requiring any further notice to be given.

4. Where the name of some locality in the Province of Ontario constitutes part of the name of any company incorporated by letters patent before the 30th day of March, 1885, such company may apply to the Lieutenant-Governor in

Council to amend their name by striking out the name of such locality, and such amendment may be made without the publication of any notice in all cases where the name of such locality does not form an essential part of the name of the company.

5. The change of name shall be conclusively established by the insertion in the *Ontario Gazette* of a notice thereof by the Provincial Secretary.

6. No contract or engagement entered into by or with the company, and no liability incurred by it shall be affected by the change of name; and all actions commenced by or against the company prior to the change of name may be proceeded with against or by the company under its former name.

7. This Act shall extend to any company incorporated under *The Ontario Joint Stock Companies' Letters Patent Act*, if such company has made or makes an application hereunder, and shall also extend to every corporation aggregate within the legislative authority of the Legislature of this Province, except a municipal corporation or other corporation of a like nature.

CHAPTER 183.

An Act respecting the winding up of Joint Stock Companies.

SHORT TITLE, s. 1.	RULES, s. 45.
APPLICATION OF ACT, s. 2.	APPLICATION OF SECTS. 47-56, s. 46.
INTERPRETATION, s. 3.	RESOLUTIONS FOR DISTRIBUTION OF
WHEN COMPANY MAY BE WOUND UP, ss. 4-6.	ASSETS OR REDUCTION OF CAPITAL, ss. 47-50.
REGISTRATION OF WINDING UP ORDER OR RESOLUTION, s. 7.	Liability of officers for payments made under resolution, s. 51.
CONSEQUENCES OF COMMENCING TO WIND UP, s. 8.	Liability of shareholders for money received, s. 52.
LIQUIDATORS, ss. 9-13, 19.	Restriction as to insurance com- panies, s. 53.
LIABILITY OF CONTRIBUTORIES, ss. 14-18.	Resolution for reduction of shares not to affect amount remaining unpaid thereon, s. 54.
EXPENSES, ss. 20, 21.	Notice of reduction of shares, ss. 55, 56.
MEETINGS OF CONTRIBUTORIES, s. 22.	
APPLICATIONS TO COURT, ss. 23-30.	
Matters of practice, ss. 31-39.	
DISSOLUTION OF COMPANIES, ss. 40-44.	

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:—

1. This Act may be cited as "*The Joint Stock Companies' Winding-up Act.*"

2. This Act shall apply to all incorporated companies or associations incorporated by the Legislature of this Province, or under the authority of any Act of this Province, and to all companies and associations which were incorporated by the Parliament of the Province of Upper Canada, or of the Province of Canada, or under the authority of any Act of the Province of Canada, whose incorporation and the affairs thereof, in the particulars hereinafter mentioned, are subject to the legislative authority of this Province.

3. Where the words following occur in this Act they shall be construed in the manner hereinafter mentioned, unless a contrary intention appears :

(1) "Court" means any County Court ; and any Judge of a County Court may at any time exercise all the powers conferred by this Act upon the Court ;

(2) "Contributory" means every person liable to contribute to the assets of a company under this Act, in the event of the same being wound up : it shall, also, in all proceedings prior to the final determination of such persons, include any person alleged to be a contributory ;

(3) If a contributory dies either before or after he has been placed on the list of contributories hereinafter mentioned, his personal representatives, heirs and devisees shall be liable in due course of administration to contribute to the assets of the company in discharge of the liability of such deceased contributory, and such personal representatives heirs, and devisees shall be deemed to be contributories accordingly ;

(4) "Extraordinary resolution" means a resolution passed by a majority of not less than three-fourths of such members of the company, for the time being entitled to vote, as may be present in person, or by proxy (in cases whereby the Act or charter or instrument of incorporation or the regulations of the company proxies are allowed), at any general meeting of which notice specifying the intention to propose such resolution has been duly given ;

(5) "Special resolution" means a resolution passed in the manner necessary for an extraordinary resolution, where the resolution after having been so passed as aforesaid has been confirmed by a majority of such members (entitled according to the Act, charter or instrument of incorporation or the regulations of the company to vote) as may be present, in person or by proxy, at a subsequent general meeting of which notice has been duly given, and held at an interval of not less than fourteen days, or more than one month from the date of the meeting at which the resolution was first passed.

4. A company may be wound up under this Act :

(1) Where the period, if any, fixed for the duration of the company by the Act, charter or instrument of incorporation has expired ; or where the event (if any) has occurred, upon the occurrence of which it is provided by the Act or charter or instrument of incorporation that the company is to be dissolved and the company in general meeting has passed a resolution requiring the company to be wound up ;

(2) Where the company has passed a special resolution (as hereinbefore defined) requiring the company to be wound up ;

(3) Where the company (though it may be solvent as respects creditors) has passed an extraordinary resolution (as hereinbefore defined) to the effect that it has been proved to their satisfaction that the company cannot by reason of its liabilities continue its business, and that it is advisable to wind up the same.

5. Where no such resolution has been passed as mentioned in the next preceding section, the Court may, on the application of a contributory, make an order for winding up, in case the Court is of opinion that it is just and equitable that the company should be wound up.

6. A winding up shall be deemed to commence at the time of the passing of the resolution authorizing the winding up, or of making the order directing the winding up.

7. A copy of the resolution or order for winding up, certified by the liquidator, may be registered in the registry office of any registry division wherein the company may have any real estate ; the resolution or order shall be accompanied by a description of the real estate belonging to the company in the registry division, and certified by the liquidator to be a correct description ; and the registrar shall register the order and description upon payment to him of a fee of \$1.

8. The following consequences shall ensue upon the commencement of the winding up of a company under the authority of this Act :

(1) The company shall, from the date of the commencement of the winding up, cease to carry on its business, except in so far as may be required for the beneficial winding up thereof; and any transfers of shares, except transfers made to or with the sanction of the liquidators, or any alteration in the status of the members of the company, after the commencement of the winding up, shall be void, but the corporate state and all the corporate powers of the company shall, notwithstanding it may be otherwise provided by the Act, charter, or instrument of incorporation, continue until the affairs of the company are wound up.

(2) The property of the company shall be applied in satisfaction of its liabilities, and subject thereto, and to the charges incurred in winding up its affairs, shall (unless it is otherwise provided by the Act, charter, or instrument of incorporation) be distributed amongst the members according to their rights and interests in the company.

(3) Liquidators shall be appointed for the purpose of winding up the affairs of the company and distributing the property.

(4) The company, in general meeting, shall appoint such persons or person as the Company thinks fit to be liquidators or a liquidator, and may fix the remuneration to be paid to them or to him, and they shall give such security as the contributories or the Court may determine.

(5) If one person only is appointed, all the provisions herein contained in reference to several liquidators shall apply to him.

(6) Upon the appointment of liquidators, all the powers of the directors shall cease, except in so far as the company in general meeting, or the liquidators, may sanction the continuance of such powers.

(7) Where several liquidators are appointed, every power hereby given may be exercised by such one or more of them as may be determined at the time of the appointment, or at a subsequent meeting, or, in default of such determination, by any number not less than two.

(8) The contributories may at any meeting appoint one or more inspector or inspectors, to superintend and direct the proceedings of the liquidator in the management and winding up of the estate; and in case of an inspector being appointed, all the powers of the liquidator shall be exercised subject to the advice and direction of the inspectors; and the contributories may also at any subsequent meeting held for that purpose, revoke any such appointment; and upon such revocation, or in case of death, resignation or absence from the Province of an inspector, may appoint another in his stead; and such inspector may be paid such remuneration as the contributories may determine; and where anything is allowed or directed to be done by the inspectors, it may or shall be done by the sole inspector, if only one has been appointed.

(9) The contributories may, at any meeting, pass any resolution or order, directing the liquidator how to dispose of the property, real or personal, of the company; and in default of their doing so, the liquidator shall be subject to the directions, orders and instructions which he from time to time receives from the inspectors, if any, with regard to the mode, terms and conditions on which he may dispose of the whole or any part of the property of the company.

9. The liquidator may be described in all proceedings by the style of "A.B., the liquidator of" (*the particular company in respect of which he is appointed*), and shall have power to do the following things:

(1) To bring or defend any action, or other legal proceeding in the name, and on behalf of the company;

(2) To carry on the business of the company so far as may be necessary for the beneficial winding up of the same;

(3) To sell the real and personal property of the company by public auction or private contract, according to the ordinary mode in which such sales are made, with power to transfer the whole property to any person or company, or to sell the same in parcels, and on such terms as shall seem most advantageous; but no sale of the assets *en bloc* shall be made

without the previous sanction of the contributories given at a meeting called for that purpose ;

(4) And in case, after having acted with due diligence in the collection of the debts, the liquidator finds that there remain debts due, the attempt to collect which would be more onerous than beneficial to the estate, he shall report the same to the contributories or inspectors (if any); and with their sanction, he may sell the same by public auction after such advertisement thereof as they may order ; and pending such advertisements, the liquidator shall keep a list of the debts to be sold, open to inspection at his office, and shall also give free access to all documents and vouchers explanatory of such debts ; but all debts amounting to more than \$100 shall be sold separately, except as herein otherwise provided ;

(5) To draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the company ; and to raise upon the security of the assets of the company, from time to time, any requisite sum or sums of money ; and the drawing, accepting, making or endorsing of such bill of exchange or promissory note on behalf of the company, shall have the same effect, with respect to the liability of the company, as if such bill or note had been drawn, accepted, made or endorsed by or on behalf of the company in the course of carrying on the business thereof ;

(6) To take out, if necessary, in his official name, letters of administration to any deceased contributory ; and to do in his official name any other act which may be necessary for obtaining payment of any money due from a contributory or from his estate, and which act cannot be conveniently done in the name of the company ; and in all cases where he takes out letters of administration, or otherwise uses his official name, for obtaining payment of any money due from a contributory, such money shall, for the purpose of enabling him to take out such letters or recover such money, be deemed to be due to the liquidator himself ;

(7) To execute in the name of the company all deeds, receipts and other documents ;

(8) And to do and exercise all other acts and things that may be necessary for the winding up of the affairs of the company and the distribution of its assets; and for such purposes to use when necessary the company's seal.

10.—(1) The liquidator may fix a certain day or certain days on or within which creditors of the company and others having claims thereon are to send in their claims.

(2) Where a liquidator has given such or the like notices of the said day, as in administration proceedings would be given by the High Court, for creditors and others to send in to an executor or administrator their claims against the estate of a testator or intestate, the liquidator shall, at the expiration of the time named in the said notices, or the last of the said notices, for sending in such claims, be at liberty to distribute the assets of the company, or any part thereof, amongst the parties entitled thereto, having regard to the claims of which the liquidator has then notice; and the liquidator shall not be liable for the assets, or any part thereof, so distributed to any person of whose claim such liquidator had not notice at the time of distributing the said assets, or a part thereof, as the case may be; but nothing in this Act contained shall prejudice the right of any creditor or claimant to follow assets into the hands of the person who may have received the same.

[Priority of Wages or Salary. See Cap. 127, s. 2.]

11. The liquidators may, with the sanction of an extraordinary resolution of the company, make such compromise or other arrangement as the liquidators deem expedient, with any creditors, or persons claiming to be creditors, or persons having or alleging to have any claim, present or future, certain or contingent, ascertained or sounding only in damages, against the company, or whereby the company may be rendered liable.

12. The liquidators may, with the sanction of an extraordinary resolution of the company, compromise all calls and liabilities to calls, debts, and liabilities capable of resulting in debts, and all claims, whether present or future, certain or contingent, ascertained or sounding only in damages, sub-

sisting or supposed to subsist between the company and any contributory or other debtor or person apprehending liability to the company, and all questions in any way relating to or affecting the assets of the company or the winding up of the company, upon the receipt of such sums, payable at such times, and generally upon such terms, as may be agreed upon; with power for the liquidators to take any security for the discharge of such debts or liabilities, and to give a complete discharge in respect of all or any such calls, debts or liabilities.

13.—(1) Where a company is proposed to be or is in the course of being wound up, and the whole or a portion of its business or property is proposed to be transferred or sold to another company, the liquidators of the first mentioned company, with the sanction of a special resolution of the company by whom they were appointed conferring either a general authority on the liquidators, or an authority in respect of any particular arrangement, can receive, in compensation or in part compensation for such transfer, or sale, shares or other like interest in such other company, for the purpose of distribution amongst the members of the company which is being wound up, or may, in lieu of receiving cash, shares or other like interests, or in addition thereto, participate in the profits of or receive any other benefit from the purchasing company.

(2) Any sale made or arrangement entered into by the liquidators in pursuance of this section shall be binding on the members of the company which is being wound up, subject to the proviso, that if any member of the company which is being wound up, who has not voted in favor of the special resolution passed by the company of which he is a member, at either of the meetings held for passing the same, expresses his dissent from any such special resolution, in writing, addressed to the liquidators or one of them, and left at the head office of the company not later than seven days after the date of the meeting at which such special resolution was passed, such dissentient member may require the liquidators to do one of the following things as the liquida-

tors may prefer, that is to say, either (a) to abstain from carrying such resolution into effect, or (b) to purchase the interest held by such dissentient member, at a price to be determined in manner hereinafter mentioned, such purchase-money to be paid before the company is dissolved, and to be raised by the liquidators in such manner as may be determined by special resolution.

(3) No special resolution shall be deemed invalid for the purposes of this section by reason that it is passed antecedently to or concurrently with any resolution for winding up the company, or for appointing liquidators.

(4) The price to be paid for the purchase of the interest of any dissentient member may be determined by agreement; but if the parties dispute about the same such dispute shall be settled by arbitration.

(5) For the purposes of the arbitration the liquidator shall appoint one arbitrator, and the dissentient member shall appoint another, and the two arbitrators thus chosen (or in case they disagree, the County Judge) shall appoint a third arbitrator.

(6) The arbitrators thus chosen or any two of them, or the arbitrator of one party and an arbitrator appointed by the County Judge (in the case of the refusal or neglect of either party to appoint an arbitrator) shall finally determine the matter in dispute.

(7) In case of the disagreement of two arbitrators, where two only are acting, they may appoint an umpire, whose award shall be conclusive.

14.—(1) As soon as may be after the commencement of the winding up of a company, the liquidator shall settle a list of contributories.

(2) Every shareholder or member of the company or his representative is liable to contribute the amount unpaid on his shares of the capital, or on his liability to the company or to its members or creditors, as the case may be, under the Act, charter, or instrument of incorporation of the company; and the amount which he is liable to contribute shall be deemed assets of the company, and to be a debt due to the

company payable as may be directed or appointed under this Act.

(3) Where a shareholder has transferred his shares under circumstances which do not by law free him from liability in respect thereof, or where he is by law liable to the company or its contributories or any of them, to an amount beyond the amount unpaid on his shares, he shall be deemed a member of the company for the purposes of this Act, and shall be liable to contribute as aforesaid to the extent of his liabilities to the company or the contributories independently of this Act, and the amount which he is so liable to contribute shall be deemed assets and a debt as aforesaid.

(4) The list of contributories shall distinguish between persons who are contributories as being representatives of or liable for others.

(5) It shall not be necessary where the personal representative of a deceased contributory is placed on the list to add the heirs or devisees of such contributory; nevertheless such heirs or devisees may be added at any time afterwards.

(6) Any list so settled shall be *prima facie* evidence of the liability of the persons named therein to be contributories.

15.—(1) The list of contributories may be settled by the Court, in which case the liquidator shall make out and leave at the chambers of the Judge a list of the contributories of the company; and such list shall be verified by the affidavit of the liquidator, and shall, so far as is practicable, state the respective addresses of, and the number of shares or extent of interest to be attributed to each such contributory, and distinguish the several classes of contributories; and the list may from time to time, by leave of the Judge, be varied or added to by the liquidator.

(2) Upon the list of contributories being left at the chambers of the Judge, the liquidator shall obtain an appointment for the Judge to settle the same, and shall give notice in writing of the appointment to every person included in the list, and stating in what character, and for what number of shares, or interest, such person is included in the list; and in

case any variation in or addition to the list is at any time made by the liquidator, a similar notice in writing shall be given to every person to whom the variation or addition applies. All such notices shall be served four clear days before the day appointed to settle such list, or such variation or addition.

(3) The result of the settlement of the list of contributories shall be stated in a certificate by the clerk of the Court; and certificates may be made from time to time for the purpose of stating the result of the settlement down to any particular time, or to any particular person, or stating any variation of the list.

16. If a person made a contributory as personal representative of a deceased contributory makes default in paying any sum to be paid by him, proceedings may be taken for administering the estate of the deceased contributory, and for compelling payment thereof of the money due.

17. The liquidators may, at any time and before they have ascertained the sufficiency of the assets of the company, call on all or any of the contributories, for the time being settled on the list of contributories, to pay, to the extent of their liability, all or any sums the liquidators deem necessary to satisfy the debts and liabilities of the company, and the costs, charges and expenses of winding it up, and for the adjustment of the rights of the contributories amongst themselves; and the liquidators may, in making a call, take into consideration the probability that some of the contributories upon whom the call is made, may partly or wholly fail to pay their respective portions of the same.

18. Where a person's name is on the list of contributories or is liable to be placed thereon, he shall be subject in respect of his liability, and on the application of the liquidator, to arrest and imprisonment, like any other debtor; and he shall for that purpose be deemed a debtor to the company, and a debtor to the liquidator, and his arrest may be by an order of the County Court Judge, whether the amount of his liability exceeds or not the ordinary jurisdiction of the said Court; and his being placed on the list of contributories under this

Act shall be deemed a judgment, and the liquidator shall be deemed a creditor, within the meaning of *The Act respecting Arrest and Imprisonment for Debt*; and the said persons shall respectively have the same remedies, and the County Court and Judges and the officers of justice shall in such cases have the same powers and duties (as nearly as may be), as in corresponding cases under the said Act.

19.—(1) No liquidator shall employ any counsel, or solicitor, without the consent of the inspectors, or of the contributories.

(2) No liquidator or inspector shall purchase, directly or indirectly, any part of the stock in trade, debts or assets of any description of the estate.

(3) The liquidator shall deposit at interest in some chartered bank to be indicated by the inspectors or by the Court, all sums of money which he may have in his hands, belonging to the company, whenever such sums amount to \$100.

(4) Such deposit shall not be made in the name of the liquidator generally, on pain of dismissal; but a separate deposit account shall be kept for the company of the moneys belonging to the company, in the name of the liquidator as such, and of the inspectors (if any); and such moneys shall be withdrawn only on the joint cheque of the liquidator and one of the inspectors, if there be any.

(5) At every meeting of the contributories, the liquidators shall produce a bank pass-book, shewing the amount of deposits made for the company, the dates at which the deposits were made, the amounts withdrawn and dates of such withdrawal; of which production mention shall be made in the minutes of the meeting, and the absence of such mention shall be *prima facie* evidence that the pass-book was not produced at the meetings.

(6) The liquidator shall also produce the pass-book whenever so ordered by the Court at the request of the inspectors or a contributory, and on his refusal to do so, he shall be treated as being in contempt of Court.

(7) Every liquidator or inspector shall be subject to the summary jurisdiction of the Court in the same manner and

to the same extent as the ordinary officers of the Court are subject to its jurisdiction; and the performance of his duties may be compelled, and all remedies sought or demanded for enforcing any claim for a debt, privilege, mortgage, lien or right of property upon, in, or to any effects or property in the hands, possession or custody of a liquidator, may be obtained by an order of the Court on summary petition, and not by any action, attachment, seizure or other proceeding of any kind whatever; and obedience by the liquidator to such order may be enforced by the Court under the penalty of imprisonment, as for contempt of Court or disobedience thereto; or he may be removed in the discretion of the Court.

20. All costs, charges and expenses properly incurred in the voluntary winding-up of a company, including the remuneration of the liquidators, shall be payable out of the assets of the company in priority to all other claims.

21. In case of there being no agreement or provision fixing the remuneration of a liquidator, he shall be entitled to a commission on the net proceeds of the estate of the company of every kind, after deducting expenses and disbursements, such commission to be of five per cent. on the amount realized, not exceeding \$1,000, the further sum of two and a half per cent. on the amount realized in excess of \$1,000, and not exceeding \$5,000, and a further sum of one and a quarter per cent. on the amount realized in excess of \$5,000; which said commission shall be in lieu of all fees and charges for his services.

22.—(1) If a vacancy in the office of liquidators appointed by the company, occurs by death, resignation or otherwise, a general meeting for the purpose of filling up the vacancy may be convened by the continuing liquidators, if any, or if none, then by any contributory of the company.

(2) The liquidators may from time to time, during the continuance of the winding up, summon general meetings of the company for the purpose of obtaining the sanction of the company by special resolution, or extraordinary resolution, or for any other purposes they think fit.

(3) In the event of the winding up continuing for more than one year, the liquidators shall summon a general meeting of the company at the end of the first year, and of each succeeding year from the commencement of the winding up, or as soon thereafter as may be convenient; and shall lay before the meeting an account, shewing their acts and dealings, and the manner in which the winding up has been conducted during the preceding year.

(4) The liquidator shall also call meetings of the contributories whenever required in writing so to do, by the inspector or five contributories, or by the Court, and he shall state succinctly in the notice calling any meeting the purpose thereof.

(5) The contributories may, from time to time, at any meeting, determine where subsequent meetings shall be held; and in the absence of such a resolution all meetings of the contributories shall be held at the office of the liquidator or of the company, unless otherwise ordered by the Court.

(6) Notice of any meeting shall for the purposes of this Act be deemed to be duly given, and the meeting to be duly held, whenever the notice is given and meeting held in manner prescribed by the Act, charter or instrument of incorporation or by the regulations of the company, or by the Court; or

(7) Notice of the meeting may be given by publication thereof for at least two weeks in the *Ontario Gazette*, or by such other or additional notices as the Court, or the inspector or the company may direct, and by also, except where the Court otherwise directs, addressing notices of the meeting to the contributories within the Province, and to the representatives, within the Province, of contributories who reside out of the Province; and the notices shall be posted at least ten days before the day on which the meeting is to take place, the postage being prepaid by the liquidator.

(8) No contributory shall vote at any meeting unless present personally, or represented by some person having a written authority (to be filed with the liquidator) to act on his behalf at the meeting, or generally; and when a poll is

taken reference shall be had to the number of votes to which each member is entitled by the Act, charter or instrument of incorporation or the regulations of the company.

23.—(1) The liquidators or any contributory of the company may apply to the Court to determine any question arising in the matter of the winding up; or to exercise all or any of the powers following; and the Court, if satisfied that the determination of the question, or the required exercise of power, will be just and beneficial, may accede wholly or partially to the application, on such terms and subject to such conditions as the Court thinks fit; or it may make such other order on the application as the Court thinks just.

(2) The Court, at any time after the presentation of a petition for winding up a company and before making an order for winding up the company, may restrain further proceedings in any action or proceeding against the company (other than under the Insolvent Acts in force at the time, or any other authority with which this Legislature has no jurisdiction) in and upon such terms as the Court thinks fit.

(3) The Court may make an order that no action or other proceeding shall be proceeded with or commenced against the company except with the leave of the Court, and subject to such terms as the Court may impose; but this sub-section does not apply to proceedings under any Act of the Parliament of Canada under its jurisdiction in matters of bankruptcy and insolvency or otherwise; a copy of such order shall forthwith be advertised as the Court may direct.

(4) The Court may settle the list of contributories.

(5) The Court may direct meetings of the contributories to be summoned, held and conducted in such manner as the Court thinks fit, for the purpose of ascertaining their wishes, and may appoint a person to act as chairman of any such meeting and to report the result of such meeting to the Court.

(6) The Court may require any contributory for the time being settled on the list of contributories, or any trustee, receiver, banker, or agent or officer of the company, to pay, deliver, convey, surrender or transfer forthwith, or within

such time as the Court directs, to or into the hands of the liquidator, any sum or balance, books, papers, estate, or effects which happen to be in his hands for the time being, and to which the company is *prima facie* entitled.

(7) The Court may make an order on any contributory for the time being settled on the list of contributories, directing payment to be made, in manner in the order mentioned, of moneys due from him or from the estate of the person whom he represents, to the company, exclusive of moneys which he or the estate of the person whom he represents may be liable to contribute by virtue of any call made or to be made by the Court in pursuance of this Act.

(8) The Court may order any contributory, purchaser or other person from whom money is due to the company to pay the same into any bank appointed for this purpose in any general order made under this Act, or in default of such bank into a bank named in the order, or into a branch of such bank, to the account of the official liquidator instead of to the official liquidator, and the order may be enforced in the same manner as if it had directed payment to the official liquidator.

(9) An order made by the Court in pursuance of this Act upon any contributory shall, subject to the provisions herein contained for appealing against such order, be conclusive evidence that the moneys, if any, thereby appearing to be due, or ordered to be paid, are due; and all other pertinent matters stated in the order are to be taken to be truly stated, as against all persons, and in all proceedings whatsoever, with the exception of proceedings taken against the real estate of any deceased contributory, in which case the order shall only be *prima facie* evidence for the purpose of charging his real estate, unless his heirs or devisees were on the list of contributories at the time the order was made.

(10) The Court may make such order for the inspection by the creditors and contributories of the company of its books and papers as the Court thinks just; and any books and papers in the possession of the company may be in-

spected in conformity with the order of the Court, but not further or otherwise.

(11) The Court may, at any time after the commencement of the winding up of the company, summon to appear before the Court or liquidator any officer of the company, or any other person known or suspected to have in his possession any of the estate or effects of the company, or supposed to be indebted to the company, or any person whom the Court may deem capable of giving information concerning the trade, dealings, estate or effects of the company; and in case of refusal to appear or answer the questions submitted, he may be committed and punished by the Judge as for a contempt.

(12) The Court may require any such officer or person to produce any books, papers, deeds, writings, or other documents in his custody or power relating to the company.

(13) If any person so summoned, after being tendered the fees to which a witness is entitled in the County Courts, refuses to come before the Court or liquidator at the time appointed, having no lawful impediment, the Court may cause such person to be apprehended, and brought before the Court or liquidator for examination.

(14) The Court or liquidator may examine, upon oath, any person appearing, or brought before them in the manner aforesaid, concerning the affairs, dealings, estate or effects of the company, and may reduce into writing the answers of every such person, and require him to subscribe the same.

(15) In any proceeding under this Act, the Court may order a writ of *subpœna ad testificandum*, or of *subpœna duces tecum* to issue, commanding the attendance as a witness of any person within the limits of Ontario.

(16) Where any person claims a lien on papers, deeds, or writings or documents produced by him, such production shall be without prejudice to the lien; and the Court shall have jurisdiction in the winding up to determine all questions relating to such lien.

(17) Where in the course of winding up a company under this Act, it appears that any past or present director, man-

ager, official or other liquidator, or any officer of the company has misapplied, or retained in his own hands, or become liable or accountable for moneys of the company, or been guilty of any misfeasance or breach of trust in relation to the company, the Court may, on the application of a liquidator, or of any contributory of the company, notwithstanding that the offence is one for which the offender is criminally responsible, examine into the conduct of such director, manager, or other officer, and compel him to repay the moneys so misapplied or retained, or for which he has become liable or accountable, together with interest after such rate as the Court thinks just, or to contribute such sums of money to the assets of the company by way of compensation in respect of such misapplication, retainer, misfeasance, or breach of trust, as the Court thinks just.

24. If at any time a contributory desires to cause any proceeding to be taken which, in his opinion, would be for the benefit of the company, and the liquidator, under the authority of the contributories or of the inspectors, refuses or neglects to take such proceeding, after being duly required so to do, the contributory shall have the right to obtain an order of the Court authorizing him to take such proceeding in the name of the liquidator or company, but at his own expense and risk, upon such terms and conditions as to indemnity to the liquidator, as the Court may prescribe : and thereupon any benefit derived from such proceeding shall belong exclusively to the contributory instituting the same, for his benefit and that of any other contributory who may have joined him in causing the institution of such proceeding ; but if, before such order is granted, the liquidator shall signify to the Court his readiness to institute such proceeding for the benefit of the company, an order shall be made prescribing the time within which he shall do so and in that case the advantage derived from such proceeding, shall appertain to the company.

25.—(1) If a vacancy in the office of liquidator appointed by the company occurs by death, resignation or otherwise, the company in general meeting may fill up such vacancy.

(2) If from any cause there is no liquidator acting, either provisionally or otherwise, the Court may on the application of a contributory, appoint a liquidator or liquidators.

(3) The Court may also on due cause shewn, remove a liquidator, and appoint another liquidator.

(4) When there is no liquidator the estate shall be under the control of the Court until the appointment of a new liquidator.

26.—(1) Any one or more contributories whose claims in the aggregate exceed \$500, who may be dissatisfied with the resolutions adopted or orders made by the contributories or the inspectors, or with any action of the liquidator for the disposal of the property of the company, or any part thereof, or for postponing the disposal of the same, or with reference to any matter connected with the management or winding up of the estate, may, within four clear days after the meeting of the contributories in case the subject of dissatisfaction is a resolution or order of the contributories, or within four clear days after becoming aware or having notice of the resolution of the inspectors or action of the liquidator where such resolution or action is the subject of dissatisfaction, give to the liquidator notice that he or they will apply to the Court, on the day and at the hour fixed by such notice (and not being later than four clear days after such notice has been given), or as soon thereafter as the parties may be heard before the Court, to rescind such resolutions or orders.

(2) The Court, after hearing the inspectors, the liquidators and contributories present at the time and place so fixed, may approve, rescind or modify the said resolutions or orders.

(3) In case of the application being refused the party applying shall pay all costs occasioned thereby, and in other cases the costs and expenses shall be in the discretion of the Court.

27.—(1) Any party who is dissatisfied with any order or decision of the Court in any proceeding under this Act, may appeal therefrom to the Court of Appeal, or to any one of the Judges of the said Court; but any appeal to a single

Judge may, in his discretion, be referred, on a special case to be settled, to the full Court, and on such terms in the meantime as he may think necessary and just.

(2) No such appeal shall be entertained unless the appellant has, within eight days from the rendering of such final order or judgment, taken proceedings on the said appeal, nor unless within the said time he has made a deposit or given security, to the satisfaction of a Judge, that he will duly prosecute the said appeal and pay such damages and costs as may be awarded to the respondent.

(3) If the party appellant does not proceed with his appeal, as the case may be, according to the law or the rules of practice, the Court, on the application of the respondent, may dismiss the appeal, and condemn the appellant to pay the respondent the costs by him incurred.

(4) The judgment of the Court of Appeal shall be final.

28. Any powers by this Act conferred on the Court shall be deemed to be in addition to any other power, of instituting proceedings against any contributory, or against any debtor of the company for the recovery of any call or other sums due from such contributory, or against any debtor of the company, for the recovery of any call or other sum due from such contributory or debtor, or his estate, and such proceedings may be instituted accordingly.

29. All orders made by the Court may be enforced in the same manner as orders of such Court made in any action pending therein, or as orders of the Court under the Insolvent Acts in force at the time may be enforced; and for the purposes of this part of the Act, the County Courts and the Judges thereof shall, in addition to their ordinary powers, have the same power of enforcing any orders made by them as the High Court has in relation to matters within the jurisdiction of that Court; and for the last-mentioned purposes the jurisdiction of the County Court Judge shall be deemed to be co-extensive in local limits with the jurisdiction of the High Court.

30. The various County Courts of the Province, and the Judges of the said Courts respectively, shall be auxiliary to

one another for the purposes of this Act; and the winding up of a company, or any matter or proceeding relating thereto, may be transferred from one County Court to another with the concurrence, or by the order or orders, of the two Courts, or by an order of a Judge of the Court of Appeal.

31. Where an order made by one Court is required to be enforced by another Court, an office copy of the order so made, certified by the clerk of the Court which made the same and under the seal of such Court, shall be produced to the proper officer of the Court required to enforce the same, and the production of such copy shall be sufficient evidence of the order having been made; and thereupon such last mentioned Court shall take such steps in the matter as may be requisite for enforcing such order in the same manner as if it were the order of the Court enforcing the same.

32.—(1) Any application to the Court for winding up of a company under this Act shall be by petition; and the petition may be presented by the company, or by any contributory or contributories of the company.

(2) Upon hearing the petition the Court may dismiss the same, with or without costs, or may adjourn the hearing conditionally or unconditionally, and may make an interim order, or any other order that it deems just.

33. The Court at any time after an order has been made for winding up a company, may, upon the application by motion of any contributory, and upon proof to the satisfaction of the Court that all proceedings in relation to the winding up ought to be stayed, make an order staying the same, either altogether or for a limited time, on such terms and subject to such conditions as the Court deems fit.

34. The rules of procedure for the time being as to amendments of pleadings and proceedings in the County Court, shall as far as practicable, apply to all pleadings and proceedings under this Act; and any Court or liquidator before whom such proceedings are being carried on shall have full power and authority to apply the appropriate rules as to amendments to the proceedings so pending be-

fore him; and no pleading or proceeding shall be void by reason of any irregularity or default which can or may be amended or disregarded under the rules and practice of the Court.

35. In every petition, application, motion or other pleading or proceeding under this Act, the parties may state the facts upon which they rely, in plain and concise language; and to the interpretation thereof, the rules of construction applicable to such language in the ordinary transactions of life shall apply.

36. All books, accounts, and documents of the company and of the liquidator, shall, as between the contributories of the company, be *prima facie* evidence of the truth of all matters purporting to be therein recorded.

37. All rules, writs of subpœna, orders and warrants issued by any Court in any matter or proceeding under this Act, may be validly served in any part of Ontario upon the party affected or to be affected thereby, and the service of them may be validly made in such manner as is now prescribed for similar services, and the person charged with such service shall make his return thereof under oath.

38. Except when otherwise provided, four clear juridical days' notice of any petition, motion, order or rule shall be sufficient; and service of such notice shall be made in such manner as a similar service in an action.

39.—(1) Any affidavit, affirmation or declaration required to be sworn or made under the provisions or for the purposes of this Act, may be sworn or made in Ontario, before the liquidator, or before any liquidator, Judge, notary public, commissioner for taking affidavits, or Justice of the Peace; and out of Ontario, before any Judge of a Court of Record, any commissioner for taking affidavits to be used in any Court in Canada, any notary public, the chief municipal officer for any town or city, any British consul or vice-consul, or any person authorized by or under any Statute of the Dominion, or of this Province to take affidavits.

(2) All Courts, Judges, Justices, commissioners and persons acting judicially, shall take judicial notice of the seal,

or stamp or signature (as the case may be) of such Court Judge, notary public, commissioner, justice, chief municipal officer, consul, vice-consul, liquidator or other person attached, appended or subscribed to such affidavit, affirmation or declaration, or to any other document to be used for the purposes of this Act.

40.—(1) As soon as the affairs of the company are fully wound up, the liquidator shall make up an account shewing the manner in which the winding up has been conducted, and the property of the company disposed of; and thereupon they shall call a general meeting of the company for the purpose of having the account laid before them, and hearing any explanation that may be given by the liquidators; the meeting shall be called by advertisement, specifying the time, place and object of such meeting; and the advertisement shall be published one month at least previously thereto.

(2) The liquidator shall make a return to the Provincial Secretary of such meeting having been held, and of the date at which the same was held; which return shall be filed in the office of the Provincial Secretary; and on the expiration of three months from the date of the filing of such return, the company shall be deemed to be dissolved.

41. Or whenever the affairs of the company have been completely wound up, the Court may make an order that the company be dissolved from the date of such order, and the company shall be dissolved accordingly; which order shall be reported by the liquidator to the Provincial Secretary.

42. If the liquidator makes default in transmitting to the Provincial Secretary the return mentioned in section 40, or in reporting the order (if any) declaring the company dissolved, he shall be liable to a penalty not exceeding \$20 for every day during which he is in default.

43. All dividends deposited in a bank and remaining unclaimed at the time of the dissolution of the company, shall be left for three years in the bank where they are deposited, and if still unclaimed, shall then be paid over by such bank,

with interest accrued thereon, to the Treasurer of Ontario, and, if afterwards duly claimed, shall be paid over to the persons entitled thereto.

44.—(1) Every liquidator shall, within thirty days after the date of the dissolution of the company, deposit in the bank appointed or named as hereinbefore provided for, any other money belonging to the estate then in his hands not required for any other purpose authorized by this Act, with a sworn statement and account of such money, and that the same is all he has in his hands; and he shall be subject to a penalty of not exceeding \$10 for every day on which he neglects or delays such payment; and he shall be a debtor to Her Majesty for such money, and may be compelled as such to account for and pay over the same.

(2) The money so deposited shall be left for three years in the bank, and shall be then paid over, with interest, to the Treasurer of the Province, and if afterwards claimed shall be paid over to the person entitled thereto.

(3) Where a company has been wound up under this Act and is about to be dissolved, the books, accounts and documents of the company and of the liquidators may be disposed of in such a way as the company by an extraordinary resolution directs.

(4) After the lapse of five years from the date of such dissolution no responsibility shall rest on the company or the liquidators, or any one to whom the custody of such books, accounts and documents has been committed, by reason that the same or any of them are not forthcoming to any party claiming to be interested therein,

45.—(1) The Board of County Judges from time to time shall make and frame and settle the forms, rules and regulations to be followed and observed in proceedings under this Act, and shall make rules as to the costs, fees and charges which shall or may be had, taken or paid in all such cases by or to solicitors or counsel, and by or to officers of Courts, whether for the officers or for the Crown, and by or to sheriffs, or other persons whom it may be necessary to pro-

vide for, or for any service performed or work done under this Act.

(2) The Board of County Judges or any three of them, shall under their hands certify to the Chief Justice of the Court of Appeal, all rules and forms made under this Act, and the Judges of the said Court (of whom the said Chief Justice shall be one) may approve of, disallow, or amend any such rules or forms; and the rules and forms so approved of (with or without amendment, as the case may be) shall have the same force and effect as if they had been made and included in this Act.

(3) Until such forms, rules and regulations are so approved, and subject to any which shall be approved, the practice under this Act shall in cases not hereinbefore provided for, be the same (as nearly as may be), as under the Insolvent Acts for the time being in force in this Province.

46. The following sections of this Act shall apply to every company whose incorporation is under the authority of the Legislature of Ontario, where the shareholders or members of the company are entitled to the profits of the business of such company.

47. Where a company has passed a special resolution authorizing any of the acts hereinafter allowed, the directors and officers may act in accordance with the terms of such resolution, subject to the following provisions of this Act.

48.—(1) The company may by such resolution direct that proceedings be taken to distribute the proceeds of all the ^{assets} of the company amongst the shareholders after payment of the debts of the company,

(2) Or may, by such resolution, direct that proceedings be taken to reduce the capital:

(a) Either by paying off the shares of such persons as may elect to be paid off at a rate fixed by the resolution, or to be determined in accordance with a plan therein specified;

(b) Or by paying off a certain fixed proportion of all the shares.

(3) This section shall not apply to a company the capital of which is not divided into shares.

49.—(1) The company shall thereupon give notice (Form A) of the resolution in the *Ontario Gazette*, and in some newspaper published in the city of Toronto, and in some other newspaper published where the chief place of business of the company in Ontario is situate, if any newspaper is published in such place.

(2) The notice shall also state that after some day to be therein named, and which shall not be earlier than three months from the first publication of the notice in the *Gazette*, the company will act upon the resolution.

(3) The notice shall also call upon all creditors of the company to file their claims against the company forthwith, whether such claims are or are not then due.

(4) Where the company has no place of business in Ontario, or its chief place of business is in Toronto, it will be sufficient if the notice is published in the *Gazette* and in one Toronto newspaper.

(5) The notice shall be published in the *Gazette* and in each of the said newspapers (where publication in more than one is required) at least six times during the said period of three months, and in computing such six times no two publications which occur in the same week shall be counted.

50. Upon the arrival of the day appointed, or so soon thereafter as conveniently may be, the officers of the company may act in accordance with the terms of the resolution; provided (1) either that the company has no creditors, and a statement (Form B) upon the oath or solemn affirmation of the chief executive officer and of the treasurer of the company stating their belief of this fact, is filed with the clerk of the County or District Court of the county or district where the chief office of the company is situated; (2) or the consent of the company's creditors to the resolution being acted upon has been procured in writing, and a statement under oath or solemn affirmation of the said officers, containing the particulars set forth in form C, is filed with the clerk.

51. No officer of such company shall make or authorize any payment by virtue of such resolution until one or other of the said statements has been filed as aforesaid, or without the consent of every creditor of the company, so long as to his knowledge any debt, whether the same is due or not, or any accrued liability of the company, remains unsatisfied, and any officer who violates the provisions of this section shall, besides being subject to such criminal punishment as is authorized for his offence, be liable personally for the amount of such unsatisfied claim or accrued liability to the creditor or other person entitled to claim from the company.

52. Every shareholder receiving moneys under such resolution, shall, to the extent of the moneys so received, remain liable for any debts or liabilities of the company then in fact existing, and upon the winding up of the company by judicial process, every such person, his executors or administrators, may be required to contribute to that extent towards the payment of such debts or liabilities after the other assets of the company have been exhausted, but no executor or administrator shall be held so liable unless at the time he receives notice of the assessment he has in his hands assets applicable thereto, or subsequently receives such assets.

53. No insurance or guarantee company, or other company carrying on business of a like nature, shall pay off any part of its capital stock under this Act until every policy, and every instrument having the effect of a policy, given by the company has expired, or been terminated, and, in the case of such a company, this fact shall be stated in the statement (Form B or C) filed as aforesaid.

54. Where the capital of a company has become impaired, and the shareholders pass a special resolution to reduce the par value of the shares of the company, the shares shall thereupon be reduced in accordance with the terms of the resolution, provided that the resolution shall not in any wise affect the amount still remaining payable upon the shares, but the same amount shall, except as to a double or other additional liability, continue to be payable in respect of every share as if such resolution had not been passed; and in case

by virtue of the charter or Act of incorporation of the company or of any general or other Act affecting the same, a double or additional liability is cast upon the shareholders, the same proportionate liability shall continue, that is to say, if the liability was a double liability, the shareholders shall, as to new creditors, be liable for double the amount of the stock at its reduced value, and in like manner for any other proportion, but in respect of persons who are creditors at the time of the reduction, the liability of the shareholders shall continue as if such reduction had not taken place.

55. Where a reduction is had under the preceding section, a notice thereof (Form D) shall be published at least once a week for six weeks in the manner hereinbefore provided in section 49.

56. Where a company, acting under the provisions of this Act, has reduced its capital, every advertisement, circular or other document thereafter issued by the company, or any of its officers, containing a statement of the capital of the company shall state such capital at the amount to which it has been reduced.

FORM A.

[Section 49.]

Notice is hereby given that the [*insert name of Company*] has, by a special resolution passed by the shareholders of the said company, resolved to [*set out the substance of the resolution.*]

The company will act upon the said resolution upon the day of _____ next.

All creditors of the company are hereby required to file their claims against the company forthwith, whether or not such claims are now due.

A. B.

Secretary.

Date, &c.

FORM B.

[Sections 50 and 53, *First Mentioned.*]

I, A. B., of the _____ in the County of _____ make oath and say [or solemnly affirm, as the case may require],

1. I am the [*here insert title of office*] of the [*name of company,*] and I am the Chief Executive Officer of the said company, and, as such

officer, have the supervision and management of the business of the said company.

2. I verily believe the said company is not indebted to any person or persons, or to any company, association or corporation whatsoever, and I verily believe that no person, company, association or corporation has any right of action whatever against the said [name of company].

[In the case of insurance or guarantee companies, or other company carrying on business of a like nature, the following paragraph is to be added:]

3. Every policy, and every instrument having the effect of a policy, given by the said company has expired or been terminated.

Sworn, &c.

N. B.—The statement by the Treasurer of the company is to be identical with the above, except as to the paragraph setting forth the office held.

FORM C.

[Sections 50 and 53, Second Method.]

I, C. D., of the _____ in the County of _____ make oath and say [or solemnly affirm, as the case may require],

1. I am the [here insert title of office] of the [name of company], and I am the Chief Executive Officer of the said company, and, as such officer, have the management and supervision of the business of the said company.

2. I verily believe that the said company is not indebted to any person or persons, or to any company, association or corporation whatsoever, except those whose names appear in the schedule which is hereto annexed, and every such person, company and association has consented, in writing, to the following resolution being acted upon, that is to say [here set out the resolution].

3. I verily believe that no person, company, association or corporation, except such as are named in the said schedule, has any right of action whatever against the said company.

[In the case of insurance or guarantee companies, or other company carrying on business of a like nature, the following paragraph is to be added:]

4. Every policy, and every instrument having the effect of a policy, given by the said company, has expired or been terminated.

Sworn, &c.

N. B.—The statement by the Treasurer of the company is to be identical with the above, except as to the paragraph setting forth the office held.

FORM D.

[Section 55.]

Notice is hereby given that the [name of company], has by a special resolution passed by the shareholders of the said company, reduced the capital of the company from \$ to \$, and has reduced the par value of each share of the said company from \$ to \$.

A. B.,

Secretary.

Date, &c.

APPENDIX.

DOMINION LEGISLATION.

CHAPTER 119.

A. D. 1896. An Act respecting the incorporation of Joint Stock Companies by Letters Patent.

HER Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

Short title. 1. This act may be cited as "*The Companies Act.*"

Interpretation. 2. In this Act, and in all letters patent and supplementary letters patent issued under it, unless the context otherwise requires,—

"Company." (a.) The expression "the company" means the company incorporated by letters patent under this Act;

"Undertaking." (b.) The expression "the undertaking" means the business of every kind which the company is authorized to carry on;

"Loan company." (c.) The expression "loan company" means a company incorporated for any of the purposes to which the powers of loan companies extend, as hereinafter provided ;

"Real estate," "Land." (d.) The expression "real estate" or "land" includes messuages, lands, tenements and hereditaments of any tenure, and all immovable property of any kind;

"Shareholder." (e.) The expression "shareholder" means every subscriber to or holder of stock in the company, and includes the personal representatives of the shareholder;

"Manager." (f.) The expression "manager" includes the cashier and secretary.

3. The Governor in Council may, by letters patent under the Great Seal, grant a charter to any number of persons, not less than five, who petition therefor, constituting such persons, and others who thereafter become shareholders in the company thereby created, a body corporate and politic, for any of the purposes or objects to which the legislative authority of the Parliament of Canada extends, except the construction and working of railways, or the business of banking and the issue of paper money, or the business of insurance.

Companies formed for certain purposes may be incorporated by letters patent.

Exception.

4. The applicants for such letters patent shall give at least one month's previous notice, in the *Canada Gazette*, of their intention to apply for the same, stating therein,—

Notice to be given, and what it shall contain.

(a.) The proposed corporate name of the company, which shall not be that of any other known company, incorporated or unincorporated, or any name liable to be confounded therewith, or otherwise, on public grounds, objectionable;

Name.

(b.) The purposes for which its incorporation is sought;

Purposes.

(c.) The place within Canada which is to be its chief place of business;

Chief place of business.

(d.) The proposed amount of its capital stock—
—which, in the case of a loan company, shall not be less than one hundred thousand dollars;

Capital.

(e.) The number of shares and the amount of each share;

Shares.

(f.) The names in full and the address and calling of each of the applicants, with special mention of the names of not more than fifteen and not less than three of their number, who are to be the first or provisional directors of the company, and the majority of whom shall be residents of Canada.

Names, &c. of applicants.

5. At any time, not more than one month after the last publication of such notice, the applicants may petition the Governor in Council, through the Secretary of State, for the issue of such letters patent:

Petition for letters patent.

2. Such petition shall state the facts set forth in the notice, the amount of stock taken by each

What it shall contain.

applicant, the amount paid in upon the stock of each applicant, and the manner in which the same has been paid in, and is held for the company:

A certain amount of stock must be taken.

3. The aggregate of the stock so taken shall be at least the one half of the total amount of the proposed capital stock of the company:

And a certain amount paid up thereon.

4. The aggregate so paid in thereon shall, if the company is not a loan company, be at least ten per cent. of the stock so taken; if the company is a loan company the aggregate so paid in of the stock so taken shall be at least ten per cent. thereof, and shall not be less than one hundred thousand dollars:

Disposal of amount paid up.

5. Such aggregate shall be paid in to the credit of the company, or of trustees therefor, and shall be standing at such credit in some chartered bank or banks in Canada, unless the object of the company is one requiring that it should own real estate—in which case any portion not exceeding one half of such aggregate may be taken as paid in, if it is *bona fide* invested in real estate suitable to such object, which is duly held by trustees for the company, and is of the required value, over and above all incumbrances thereon:

Certain provisions may be inserted in letters patent.

6. The petition may ask for the embodying in the letters patent of any provision which, under this Act, might be made by by-law of the company; and such provision so embodied shall not, unless provision to the contrary is made in the letters patent, be subject to repeal or alteration by by-law.

Preliminary matters to be established.

6. Before the letters patent are issued, the applicants shall establish, to the satisfaction of the Secretary of State, or of such other officer as is charged by the Governor in Council to report thereon, the sufficiency of their notice and petition, and the truth and sufficiency of the facts therein set forth, and that the proposed name is not the name of any other known incorporated or unincorporated company; and for that purpose, the Secretary of State, or such other officer, shall take and keep of record any requisite evidence in writing, by oath or affirmation or by solemn declaration.

Proof of facts asserted.

7. The letters patent shall recite such of the established averments of the notice and petition as to the Governor in Council seems expedient.

Facts to be recited in letters patent.

8. The Governor in Council may give to the company a corporate name, different from that proposed by the applicants in their published notice, if the proposed name is objectionable.

Governor may give another corporate name.

9. Notice of the granting of the letters patent shall be forthwith given by the Secretary of State, in the *Canada Gazette*, in the form A in the schedule to this Act; and thereupon, from the date of the letters patent, the persons therein named, and their successors, shall be a body corporate and politic, by the name mentioned therein; and a copy of every such notice shall forthwith be, by the company to which such notice relates, inserted on four separate occasions in at least one newspaper in the county, city or place where the head office or chief agency is established.

Notice of issuing letters patent.

10. If it is made to appear, to the satisfaction of the Governor in Council, that the name of any company (whether given by the original or by supplementary letters patent, or on amalgamation) incorporated under this Act, is the same as the name of an existing incorporated or unincorporated company, or so similar thereto as to be liable to be confounded therewith, the Governor in Council may direct the issue of supplementary letters patent, reciting the former letters and changing the name of the company to some other name which shall be set forth in the supplementary letters patent.

Governor may change name by supplementary patent.

11. When a company incorporated under this Act is desirous of adopting another name, the Governor in Council, upon being satisfied that the change desired is not for any improper purpose, may direct the issue of supplementary letters patent, reciting the former letters patent and changing the name of the company to some other name, which shall be set forth in the supplementary letters patent.

Company may obtain change of name.

Change not to affect rights or obligations.

12. No alteration of its name under the two sections next preceding shall affect the rights or obligations of the company; and all proceedings may be continued or commenced by or against the company under its new name that might have been continued or commenced by or against the company under its former name.

Company may authorize directors to apply for extension of powers.

13. The company may, from time to time, by a resolution passed by the votes of shareholders representing at least two-thirds in value of the subscribed stock of the company, at a special general meeting called for the purpose, authorize the directors to apply for supplementary letters patent extending the powers of the company to such other purposes or objects, for which a company may be incorporated under this Act, as are defined in the resolution.

Application by directors.

14. The directors may, at any time within six months after the passing of any such resolution, petition the Governor in Council, through the Secretary of State, for the issue of such supplementary letters patent:

Notice of application to be given.

2. The applicants for such supplementary letters patent shall give at least one month's notice in the *Canada Gazette* of their intention to apply for the same, stating therein the purposes or objects to which it is desired to extend the powers of the company.

Proof to be furnished to Secretary of State.

15. Before such supplementary letters patent are issued, the applicants shall establish to the satisfaction of the Secretary of State or of such other officer as is charged by the Governor in Council to report thereon, the due passing of the resolution authorizing the application and the sufficiency of their notice and petition; and for that purpose the Secretary of State, or such other officer, shall take and keep of record any requisite evidence in writing, by oath or affirmation, or by solemn declaration.

Grant of supplementary letters patent.

16. Upon due proof so made, the Governor in Council may grant supplementary letters patent under the Great Seal, extending the powers of

the company to all or any of the objects defined in the resolution; and notice thereof shall be forthwith given by the Secretary of State, in the *Canada Gazette*, in the form B in the schedule to this Act; and thereupon, from the date of the supplementary letters patent, the undertaking of the company shall extend to and include the other purposes or objects set out in the supplementary letters patent as fully as if such other purposes or objects were mentioned in the original letters patent; and a copy of every such notice shall forthwith be, by the company to which the notice relates, inserted on four separate occasions in at least one newspaper in the county, city or place where the head office or chief agency is established.

Notice of issue thereof.

17. The directors of the company, other than a loan company, may, at any time, make a by-law subdividing the existing shares into shares of a smaller amount.

Subdivision of shares.

18. The directors of the company may, at any time after the whole capital stock of the company has been taken up and fifty per cent. thereon paid in, make a by-law for increasing the capital stock of the company to any amount which they consider requisite for the due carrying out of the objects of the company:

Increase of capital.

2. Such by-law shall declare the number of the shares of the new stock, and may prescribe the manner in which the same shall be allotted; and in default of its so doing, the control of such allotment shall vest absolutely in the directors,

By-law for that purpose.

19. The directors of the company may, at any time, make a by-law for reducing the capital stock of the company to any amount which they consider advisable and sufficient for the due carrying out of the undertaking of the company; but the capital stock of a loan company shall never be reduced to less than one hundred thousand dollars:

Reduction of capital.

proviso; as to loan companies.

2. Such by-law shall declare the number and value of the shares of the stock as so reduced, and

By-law for that purpose.

the allotment thereof, or the manner in which the same shall be made :

Liability to
creditors not
affected.

3. The liability of shareholders to persons who were, at the time of the reduction of the capital, creditors of the company, shall remain the same as if the capital had not been reduced.

Such by-law
to be approved
by share-
holders and
confirmed by
supplementary
letters
patent.

20. No by-law for increasing or reducing the capital stock of the company, or for subdividing the shares, shall have any force or effect whatsoever, until it is approved by the votes of shareholders representing at least two-thirds in value of all the subscribed stock of the company, at a special general meeting of the company duly called for considering the same, and afterwards confirmed by supplementary letters patent.

Petition for
supplementary
letters
patent to con-
firm by law.

21. At any time, not more than six months after such sanction of such by-law, the directors may petition the Governor in Council, through the Secretary of State, for the issue of supplementary letters patent to confirm the same :

By-law, &c.,
to be pro-
duced with
petition.

2. The directors shall, with such petition, produce a copy of such by-law, under the seal of the company, and signed by the president, vice-president or secretary, and establish to the satisfaction of the Secretary of State, or of such other officer as is charged by the Governor in Council to report thereon, the due passage and approval of such by-law, and the expediency and *bona fide* character or the increase or reduction of capital or subdivision of shares, as the case may be, thereby provided for :

Evidence may
be taken and
kept by Secre-
tary of State.

3. The Secretary of State or such officer shall, for that purpose, take and keep of record any requisite evidence in writing, by oath or affirmation or by solemn declaration, as above mentioned.

Granting of
supplementary
letters
patent ;
—notice ;—
effect of such
letters patent.

22. Upon due proof so made, the Governor in Council may grant such supplementary letters patent under the Great Seal ; and notice thereof shall be forthwith given by the Secretary of State in the *Canada Gazette*, in the form C, in the schedule to this Act : and thereupon, from the date of the supplementary letters patent, the

capital stock of the company shall be and remain increased or reduced, or the shares shall be subdivided, as the case may be, to the amount, in the manner and subject to the conditions set forth by such by-law; and the whole of the stock, as so increased or reduced, shall become subject to the provisions of this Act, in like manner, as far as possible, as if every part thereof had been or formed part of the stock of the company originally subscribed.

23. All powers given to the company by the letters patent or supplementary letters patent shall be exercised, subject to the provisions and restrictions contained in this Act. Powers given to be subject to this Act.

24. Every company incorporated under this Act may acquire, hold, sell and convey any real estate requisite for the carrying on of the undertaking of such company, and shall forthwith become and be invested with all property and rights, real and personal, theretofore held by or for it under any trust created with a view to its incorporation, and with all the powers, privileges and immunities requisite or incidental to the carrying on of its undertaking, as if it was incorporated by a special Act of Parliament, embodying the provisions of this Act and of the letters patent: Provided always, that the exercise by loan companies of the powers conferred by this section shall be subject to the special provisions respecting such companies hereinafter contained. General corporate powers. Proviso: as to loan companies.

25. The stock of the company shall be personal estate, and shall be transferable, in such manner, and subject to all such conditions and restrictions as are prescribed by this Act or by the letters patent or by by-laws of the company. Stock to be personal estate.

26. If the letters patent, or the supplementary letters patent, make no other definite provision, the stock of the company, or any increased amount thereof, so far as it is not allotted thereby, shall be allotted at such times and in such manner as the directors prescribe by by-law. Allotment of stock.

Shares to be paid in cash, subject to certain exceptions.

27. Every share in the company shall, subject to the provisions of sub-section five of section five of this Act, be deemed to have been issued and to be held subject to the payment of the whole amount thereof in cash, unless the same has been otherwise agreed upon or determined by a contract duly made in writing and filed with the Secretary of State at or before the issue of such shares.

Board of directors.

28. The affairs of the company shall be managed by a board of not more than fifteen and not less than three directors.

Provisional directors.

29. The persons named as such, in the letters patent, shall be the directors of the company, until replaced by others duly appointed in their stead.

Qualifications of subsequent directors.

30. No person shall be elected or appointed as a director thereafter unless he is a shareholder, owing stock absolutely in his own right, and to the amount required by the by-laws of the company, and not in arrear in respect of any call thereon; and at all times the majority of the directors of the company shall be persons resident in Canada.

Residence.

By-law for increase or decrease of number of directors.

31. The company may, by by-law, increase to not more than fifteen, or decrease to not less than three, the number of its directors, or may change the company's chief place of business in Canada; but no by-law for either of the said purposes shall be valid or acted upon unless it is approved by a vote of at least two-thirds in value of the stock represented by the shareholders present at a special general meeting duly called for considering the by-law; nor until a copy of such by-law, certified under the seal of the company, has been deposited with the Secretary of State, and has also been published in the *Canada Gazette*.

When to be valid.

Election of directors.

32. Directors of the company shall be elected by the shareholders, in general meeting of the company assembled at some place within Canada,

—at such times, in such manner and for such term, not exceeding two years, as the letters patent, or, in default thereof, as the by-laws of the company, prescribe.

33. In the absence of other provisions in such behalf, in the letters patent or by-laws of the company,— Mode and times of election.

(a.) The election of directors shall take place yearly, yearly, and all the directors then in office shall retire, but, if otherwise qualified, they shall be eligible for re-election ; Yearly.

(b.) Notice of the time and place for holding general meetings of the company shall be given at least twenty-one days previously thereto, in some newspaper published in the place where the head office or chief place of business of the company is situate, or if there is no such newspaper, then in the place nearest thereto in which a newspaper is published ; Notice.

(c.) At all general meetings of the company, every shareholder shall be entitled to give one vote for each share then held by him : such votes may be given in person or by proxy—the holder of any such proxy being himself a shareholder ; but no shareholder shall be entitled, either in person or by proxy, to vote at any meeting unless he has paid all the calls then payable upon all the shares held by him ; all questions proposed for the consideration of the shareholders shall be determined by the majority of votes—the chairman presiding at such meeting having the casting vote in case of an equality of votes ; Votes. Proxies. All calls must have been paid. Majority to decide. Casting vote.

(d.) Every election of directors shall be by ballot ; Ballot.

(e.) Vacancies occurring in the board of directors may be filled, for the remainder of the term, by the directors from among the qualified shareholders of the company. Vacancies, how filled.

(f.) The directors shall, from time to time, elect from among themselves a president and, if they see fit, a vice-president of the company ; and may also appoint all other officers thereof. President, vice-president and officers.

Failure to
elect directors,
how remedied.

34. If, at any time, an election of directors is not made, or does not take effect at the proper time, the company shall not be held to be thereby dissolved; but such election may take place at any subsequent general meeting of the company duly called for that purpose; and the retiring directors shall continue in office until their successors are elected.

Powers and
duties of di-
rectors.

35. The directors of the company may administer the affairs of the company in all things, and make or cause to be made for the company, any description of contract which the company may, by law, enter into; and may, from time to time, make by-laws not contrary to law, or to the letters patent of the company, or to this Act, for the following purposes:—

Stock.

(a.) The regulating of the allotment of stock, the making of calls thereon, the payment thereof, the issue and registration of certificates of stock, the forfeiture of stock for non-payment, the disposal of forfeited stock and of the proceeds thereof, and the transfer of stock;

Dividends.
Number, &c.,
of directors.

(b.) The declaration and payment of dividends;
(c.) The number of the directors, their term of service, the amount of their stock qualification, and their remuneration, if any;

Agents and
officers.

(d.) The appointment, functions, duties and removal of all agents, officers and servants of the company, the security to be given by them to the company and their remuneration;

Meetings.

(e.) The time and place for the holding of the annual meetings of the company, the calling of meetings, regular and special, of the board of directors and of the company, the quorum, the requirements as to proxies, and the procedure in all things at such meetings;

Penalties.

(f.) The imposition and recovery of all penalties and forfeitures which admit of regulation by by-law;

General
powers.

(g.) The conduct, in all other particulars, of the affairs of the company:

Confirmation
of by-laws.

And the directors may, from time to time, repeal, amend or re-enact the same; but every such by-law, and every repeal, amendment or re-enact-

ment thereof, unless in the meantime confirmed at a general meeting of the company, duly called for that purpose, shall only have force until the next annual meeting of the company, and in default of confirmation thereat, shall, at and from that time only, cease to have force:

2. No by-law for the issue, allotment or sale of any portion of the unissued stock at any greater discount or at any less premium than that which has been previously authorized at a general meeting, and no by-law for the remuneration of the president or any director, shall be valid or acted upon until the same has been confirmed at a general meeting.

Confirmation of by-laws for sale of stock below previous rate, &c.

36 The directors may deduct from the dividends payable to any shareholder all such sums of money as are due from him to the company, on account of calls or otherwise.

Debts to company may be deducted from dividends.

37. The directors may, when authorized by a by-law for that purpose, passed and approved of by the votes of shareholders, representing at least two-thirds in value of the subscribed stock of the company, represented at a special general meeting duly called for considering the by-law,—

Issue of bonds &c., by company.

(a.) Borrow money upon the credit of the company and issue bonds, debentures or other securities for any sums borrowed, at such prices as are deemed necessary or expedient; but no such debentures shall be for a less sum than one hundred dollars;

Borrowing powers.

(b.) Hypothecate or pledge the real or personal property of the company to secure any sums borrowed by the company;

Charging property.

But the amount borrowed shall not, at any time, be greater than seventy-five per cent. of the actual paid-up stock of the company; but the limitation made by this section shall not apply to commercial paper discounted by the company.

Limitation of amount to be borrowed.
Exception.

38. The directors may, from time to time, make such calls upon the shareholders in respect of all moneys unpaid upon their respective shares, as they think fit, at such times and places and in

Calling in of moneys unpaid on shares.

such payments or instalments as the letters patent, or this Act, or the by-laws of the company require or allow.

Interest on
calls over due.

39. A call shall be deemed to have been made at the time when the resolution of the directors authorizing such call was passed; and if a shareholder fails to pay any call due by him, on or before the day appointed for the payment thereof, he shall be liable to pay interest for the same, at the rate of six per cent. per annum, from the day appointed for payment to the time of actual payment thereof.

Payment in
advance on
shares.

Interest may
be allowed.

40. The directors may, if they think fit, receive from any shareholder willing to advance the same, all or any part of the amounts due on the shares held by such shareholder, beyond the sums then actually called for; and upon the moneys so paid in advance, or so much thereof as, from time to time, exceeds the amount of the calls then made upon the shares in respect of which such advance is made, the company may pay interest at such rate, not exceeding eight per cent. per annum, as the shareholder who pays such sum in advance and the directors agree upon.

Forfeiture of
shares for
non-payment
of calls.

41. If, after such demand or notice as is prescribed by the letters patent or by the by-laws of the company, any call made upon any share is not paid within such time as, by such letters patent or by the by-laws, is limited in that behalf, the directors, in their discretion, by vote to that effect duly recorded in their minutes, may summarily declare forfeited any shares whereon such payment is not made; and the same shall thereupon become the property of the company and may be disposed of as, by the by-laws of the company or otherwise, they prescribe; but, notwithstanding such forfeiture, the holder of such shares at the time of forfeiture shall continue liable to the then creditors of the company for the full amount unpaid on such shares at the time of forfeiture, less any sums which are subsequently received by the company in respect thereof.

Proviso:
liability of
holders con-
tinued.

42. The directors may, if they see fit, instead of declaring forfeited any share or shares, enforce payment of all calls, and interest thereon, by action in any court of competent jurisdiction; and in such action it shall not be necessary to set forth the special matter, but it shall be sufficient to declare that the defendant is a holder of one share or more, stating the number of shares, and is indebted in the sum of money to which the calls in arrear amount, in respect of one call or more, upon one share or more, stating the number of calls and the amount of each call, whereby an action has accrued to the company under this Act; and a certificate under their seal, and purporting to be signed by any officer of the company, to the effect that the defendant is a shareholder, that such call or calls has or have been made, and that so much is due by him and unpaid thereon, shall be received in all courts as *prima facie* evidence thereof.

Enforcement of payment of calls by action.

What only need be alleged and proven.

Certificate to be evidence.

43. The company shall cause a book or books to be kept by the secretary, or by some other officer specially charged with that duty, wherein shall be kept recorded,—

Book to be kept and what to contain.

(a.) A copy of the letters patent incorporating the company, and of any supplementary letters patent, and of all by-laws thereof;

Copy of letters patent, By-laws, &c.

(b.) The names, alphabetically arranged, of all persons who are or have been shareholders;

Names of shareholders.

(c.) The address and calling of every such person, while such shareholder;

Addresses.

(d.) The number of shares of stock held by each shareholder;

Number of shares.

(e.) The amounts paid in and remaining unpaid, respectively, on the stock of each shareholder;

Amounts paid, &c.

(f.) The names, addresses and calling of all persons who are or have been directors of the company, with the several dates at which each became or ceased to be such director;

Names &c. of directors.

2. A book called the register of transfers shall be provided, and in such book shall be entered the particulars of every transfer of shares in the capital of the company.

Register of transfers.

Books to be open for inspection and taking extracts therefrom.

44. Such books shall, during reasonable business hours of every day, except Sundays and holidays, be kept open for the inspection of shareholders and creditors of the company, and their personal representatives, at the head office or chief place of business of the company; and every such shareholder, creditor or personal representative may make extracts therefrom.

Penalty for false entries.

45. Every director, officer or servant of the company, who knowingly makes or assists in making any untrue entry in any such book or who refuses or wilfully neglects to make any proper entry therein, or to exhibit the same, or to allow the same to be inspected and extracts to be taken therefrom, is guilty of a misdemeanor.

Forfeiture for neglect.

46. Every company which neglects to keep such book or books as aforesaid, shall forfeit its corporate rights.

Books to be *prima facie* evidence.

47. Such books shall be *prima facie* evidence of all facts purporting to be thereby stated, in any action, suit or proceeding against the company or against any shareholder.

Transfer of shares valid only after entry.

48. No transfer of shares, unless made by sale under execution, or under the decree, order or judgment of a court of competent jurisdiction, shall be valid for any purpose whatever, until entry thereof is duly made in the register of transfers, except for the purpose of exhibiting the rights of the parties thereto towards each other, and of rendering the transferee liable, in the meantime, jointly and severally, with the transferrer, to the company and its creditors.

Liabilities of directors as regards transfers of shares in certain cases.

49. No transfer of shares, whereof the whole amount has not been paid in, shall be made without the consent of the directors; and whenever any transfer of shares not fully paid in has been made with such consent, to a person who is not apparently of sufficient means to fully pay up such shares, the directors shall be jointly and severally liable to the creditors of the company,

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in the same manner and to the same extent as the transferring shareholder, but for such transfer, would have been; but if any director present when any such transfer is allowed does forthwith, or if any director then absent does, within twenty-four hours after he becomes aware thereof and is able so to do, enter on the minute book of the board of directors his protest against the same, and within eight days thereafter publishes such protest in at least one newspaper published at the place in which the head office or chief place of business of the company is situated, or if there is no newspaper there published, then in the newspaper published nearest thereto, such director may thereby, and not otherwise, exonerate himself from such liability.

How only a director may avoid liability.

50. Whenever the interest in any shares of the capital stock of the company is transmitted by the death of any shareholder or otherwise, or whenever the ownership of or legal right of possession in any shares changes by any lawful means, other than by transfer according to the provisions of this Act, and the directors of the company entertain reasonable doubts as to the legality of any claim to such shares, the company may make and file, in one of the superior courts in the Province in which the head office of the company is situated, a declaration and petition in writing, addressed to the justices of the court, setting forth the facts and the number of shares previously belonging to the person in whose name such shares stand in the books of the company, and praying for an order or judgment adjudicating and awarding the said shares to the person or persons legally entitled to the same,—by which order or judgment the company shall be guided and held fully harmless and indemnified and released from every other claim to the said shares or arising in respect thereof:

Provision when shares are transmitted otherwise than by transfer.

Order of court may be obtained on application.

2. Notice of the intention to present such petition shall be given to the person claiming such shares, or to the attorney of such person duly authorized for the purpose, who shall upon the

Notice of application.

Proviso: as to costs. filing of such petition, establish his right to the shares referred to in such petition; and the time to plead and all other proceedings in such cases shall be the same as those observed in analogous cases before the said superior courts: Provided always, that the costs and expenses of procuring such order or judgment shall be paid by the person or persons to whom such shares are declared lawfully to belong; and that such shares shall not be transferred in the books of the company until such costs and expenses are paid,—saving the recourse of such person against any person contesting his right to such shares.

Restriction as to transfer. **51.** No share shall be transferable until all previous calls thereon are fully paid in.

As to transfer by debtor to the company. **52.** The directors may decline to register any transfer of shares belonging to any shareholder who is indebted to the company.

Transfer by personal representative. **53.** Any transfer of the shares or other interest of a deceased shareholder, made by his personal representative, shall, notwithstanding such personal representative is not himself a shareholder, be of the same validity as if he had been a shareholder at the time of his execution of the instrument of transfer.

Liability limited to amount unpaid on stock. **54.** The shareholders of the company shall not, as such, be responsible for any act, default or liability of the company, or for any engagement, claim, payment, loss, injury, transaction, matter or thing relating to or connected with the company, beyond the amount unpaid on their respective shares in the capital stock thereof.

Liability of shareholders. **55.** Every shareholder, until the whole amount of his shares has been paid up, shall be individually liable to the creditors of the company to an amount equal to that not paid up thereon; but he shall not be liable to an action therefor by any creditor until an execution at the suit of such creditor against the company has been returned unsatisfied in whole or in part; and the amount

When to accrue.

due on such execution, not exceeding the amount unpaid on his shares, as aforesaid, shall be the amount recoverable, with costs, from such shareholder; and any amount so recoverable, if paid by the shareholder, shall be considered as paid on his shares.

56. No person, holding stock in the company Trustees &c., not personally liable, as an executor, administrator, tutor, curator, guardian or trustee, shall be personally subject to liability as a shareholder; but the estate and funds in the hands of such person shall be liable in like manner, and to the same extent, as the testator or intestate, or the minor, ward or interdicted person, or the person interested in such trust fund would be, if living and competent to act and holding such stock in his own name; and no person holding such stock as collateral security shall be personally subject to such liability, but the person pledging such stock shall be considered as holding the same and shall be liable as a shareholder accordingly.

57. Every such executor, administrator, curator, guardian or trustee shall represent the stock held by him, at all meetings of the company, and may vote as a shareholder; and every person who pledges his stock may represent the same at all such meetings and, notwithstanding such pledge, vote as a shareholder. But entitled to vote.

58. If the directors of the company declare and pay any dividend when the company is insolvent, or any dividend, the payment of which renders the company insolvent, or impairs the capital stock thereof, they shall be jointly and severally liable, as well to the company as to the individual shareholders and creditors thereof, for all the debts of the company then existing, and for all thereafter contracted during their continuance in office, respectively; but if any director present when such dividend is declared does forthwith, or if any director then absent does, within twenty-four hours after he becomes aware thereof and able so to do, enter on the minutes of Liability of directors declaring a dividend when company is insolvent, &c.

How directors may avoid such liability.

the board of directors his protest against the same, and within eight days thereafter publishes such protest in at least one newspaper published at the place in which the head office or chief place of business of the company is situated, or if there is no newspaper there published, then in the newspaper published nearest thereto, such director may thereby, and not otherwise, exonerate himself from such liability.

No loan by company to shareholders, except by loan companies; liability of directors.

59. No loan shall be made by the company to any shareholder; if such loan is made, all directors and other officers of the company making the same, or in anywise assenting thereto, shall be jointly and severally liable for the amount of such loan, with interest, to the company,—and also to the creditors of the company for all debts of the company then existing, or contracted between the time of the making of such loan and that of the repayment thereof; but the provisions of this section shall not apply to loan companies.

Liability of directors for wages.

60. The directors of the company shall be jointly and severally liable to the clerks, laborers, servants and apprentices thereof, for all debts not exceeding six months' wages due for service performed for the company whilst they are such directors respectively; but no director shall be liable to an action therefor, unless the company is sued therefor within one year after the debt becomes due, nor unless such director is sued therefor within one year from the time when he ceased to be such director, nor unless an execution against the company in respect of such debt is returned unsatisfied in whole or in part; and the amount unsatisfied on such execution shall be the amount recoverable with costs from the directors.

Offices and agencies of the company in Canada.

61. The company shall, at all times, have an office in the city or town in which its chief place of business is situate, which shall be the legal domicile of the company in Canada; and notice of the situation of such office and of any change therein shall be published in the *Canada Gazette*;

and the company may establish such other offices and agencies elsewhere in Canada, as it deems expedient.

62. Any summons, notice, order or other process or document required to be served upon the company, may be served by leaving the same at the said office in the city or town in which its chief place of business is situate, with any adult person in the employ of the company, or on the president or secretary of the company, or by leaving the same at the domicile of either of them, or with any adult person of his family or in his employ; or if the company has no known office or chief place of business, and has no known president or secretary, the court may order such publication as it deems requisite, to be made in the premises; and such publication shall be held to be due service upon the company.

Service of process on the company.

63. Any summons, notice, order or proceeding requiring authentication by the company may be signed by any director, manager or other authorized officer of the company, and need not be under the seal of the company.

Use of common seal dispensed with in certain cases.

64. Notices to be served by the company upon the shareholders may be served either personally or by sending them through the post, in registered letters, addressed to the shareholders at their places of abode as they appear on the books of the company.

Service of notices upon members.

65. A notice or other document served by post by the company on a shareholder, shall be held to be served at the time when the registered letter containing it would be delivered in the ordinary course of post; and to prove the fact and time of service it shall be sufficient to prove that such letter was properly addressed and registered, and was put into the post office, and the time when it was put in, and the time requisite for its delivery in the ordinary course of post.

Services of notice by post.

Evidence of
by-laws.

66. A copy of any by-law of the company, under its seal, and purporting to be signed by any officer of the company, shall be received as against any shareholder of the company as *prima facie* evidence of such by-law in all courts in Canada.

Actions be-
tween com-
pany and
shareholders.

67. Any description of action may be prosecuted and maintained between the company and any shareholder thereof; and no shareholder shall, by reason of being a shareholder, be incompetent as a witness therein.

Mode of in-
corporation,
&c., how to
be set forth in
legal proceed-
ings.

68. In any action or other legal proceeding, it shall not be requisite to set forth the mode of incorporation of the company, otherwise than by mention of it under its corporate name, as incorporated by virtue of letters patent—or of letters patent and supplementary letters patent, as the case may be—under this Act; and the notice in the *Canada Gazette*, of the issue of such letters patent or supplementary letters patent, shall be *prima facie* proof of all things therein contained; and on production of the letters patent or supplementary letters patent, or of any exemplification or copy thereof under the Great Seal, the fact of such notice shall be presumed; and, except in any proceeding by *scire facias* or otherwise for the purpose of rescinding or annulling the same, the letters patent or supplementary letters patent, or any exemplification or copy thereof under the Great Seal, shall be conclusive proof of every matter and thing therein set forth.

Proof of in-
corporation.

Existing com-
panies may
apply for
charters
under this
Act.

69. Any company heretofore incorporated for any purpose or object for which letters patent may be issued under this Act, whether under a special or a general Act, and now being a subsisting and valid corporation, may apply for letters patent under this Act, and the Governor in Council, upon proof that notice of the application has been inserted for four weeks in the *Canada Gazette*, may direct the issue of letters patent incorporating the shareholders of the said company as a company under this Act; and thereupon all the rights or obligations of the former company shall

Effect of
such charters.

be transferred to the new company, and all proceedings may be continued or commenced by or against the new company that might have been continued or commenced by or against the old company; and it shall not be necessary in any such letters patent to set out the names of the shareholders; and after the issue of the letters patent the company shall be governed in all respects by the provisions of this Act, except that the liability of the shareholders to creditors of the old company shall remain as at the time of the issue of the letters patent.

70. If a subsisting company applies for the issue of letters patent under this Act, the Governor in Council may, by the letters patent, extend the powers of the company to such other objects for which letters patent may be issued under this Act as the applicant desires, and as the Governor in Council thinks fit to include in the letters patent, and which have been mentioned in the notice of the application for the same, in the *Canada Gazette*; and the Governor in Council may, in the said letters patent, name the first directors of the new company; and the letters patent may be issued to the new company by the name of the old company or by another name.

Subsisting companies may apply for charters with extended powers.

71. All the provisions of this Act in relation to the obtaining of supplementary letters patent by companies incorporated hereunder shall, so far as applicable, apply and extend to applications for letters patent under the two sections next preceding.

Provisions touching supplementary letters patent to apply.

72. The company may have an agency or agencies in any city or town in the United Kingdom.

Agencies in United Kingdom.

73. No dividend shall be declared which will impair the capital of the company.

Dividend not to impair capital.

74. Shareholders who hold one-fourth part in value of the subscribed stock of the company may, at any time, call a special meeting thereof

Special general meetings.

for the transaction of any business specified in such written requisition and notice as they make and issue to that effect.

Acts of company's attorney valid.

75. Every deed which any person, lawfully empowered in that behalf by the company as its attorney, signs on behalf of the company, and seals with his seal, shall be binding on the company and shall have the same effect as if it was under the seal of the company.

Contracts, &c., when to be binding on company.

76. Every contract, agreement, engagement or bargain made, and every bill of exchange drawn, accepted or indorsed, and every promissory note and cheque made, drawn or indorsed on behalf of the company, by any agent, officer or servant of the company, in general accordance with his powers as such under the by-laws of the company, shall be binding upon the company; and in no case shall it be necessary to have the seal of the company affixed to any such contract, agreement, engagement, bargain, bill of exchange, promissory note or cheque, or to prove that the same was made, drawn, accepted or indorsed, as the case may be, in pursuance of any by-law or special vote or order; and the person so acting as agent, officer or servant of the company, shall not be thereby subjected individually to any liability whatsoever to any third person therefor; Provided always, that nothing in this Act shall be construed to authorise the company to issue any note payable to the bearer thereof, or any promissory note intended to be circulated as money, or as the note of a bank, or to engage in the business of banking or insurance.

No individual liability.

Proviso: as to bank notes.

Proof may be by declaration or affidavit.

77. Proof of any matter which is necessary to be made under this Act may be made by oath or affirmation, or by solemn declaration, before any justice of the peace, or any commissioner for taking affidavits, to be used in any of the courts in any of the Provinces of Canada, or any notary public, each of whom is hereby authorised and empowered to administer oaths and receive affidavits and declarations for that purpose.

78. The provisions of this Act relating to matters preliminary to the issue of the letters patent or supplementary letters patent shall be deemed directory only, and no letters patent or supplementary letters patent issued under this Act shall be held void or voidable on account of any irregularity in any notice prescribed by this Act, or on account of the insufficiency or absence of any such notice, or on account of any irregularity in respect of any other matter preliminary to the issue of the letters patent or supplementary letters patent.

Certain informalities not to invalidate letters patent.

79. The company shall keep painted or affixed, its name, with the word "limited" after the name, on the outside of every office or place in which the business of the company is carried on, in a conspicuous position, in letters easily legible, and shall have its name, with the said word after it engraved in legible characters on its seal, and shall have its name with the said word after it mentioned in legible characters in all notices, advertisements, and other official publications of the company, and in all bills of exchange, promissory notes, indorsements, cheques, and orders for money or goods, purporting to be signed by or on behalf of such company, and in all bills of parcels, invoices and receipts of the company :

Word "limited" to be inserted after name of company on all notices, &c.

2. Every company which does not keep painted or affixed its name, with the word "limited" after it, in manner directed by this Act, shall incur a penalty of twenty dollars for every day during which such name is not so kept painted or affixed :

Penalty for violation of preceding section.

3. Every director and manager of the company, who knowingly and wilfully authorizes or permits such default, shall be liable to the like penalty :

Penalty for permitting violation.

4. Every director, manager or officer of the company, and every person on its behalf, who uses or authorizes the use of any seal purporting to be a seal of the company, whereon its name, with the said word "limited" after it, is not so engraved as aforesaid, or who issues or authorizes the issue of any notice, advertisement or other

Penalty on directors or officers using or authorizing use of seal without "limited" on it.

Liability in addition.

official publication of such company, or who signs or authorizes to be signed on behalf of such company any bill of exchange, promissory note, indorsement, cheque, order for money or goods, or who issues or authorizes to be issued any bill of parcels, invoice or receipt of the company, wherein its name, with the said word after it, is not mentioned in manner aforesaid, shall incur a penalty of two hundred dollars, and shall also be personally liable to the holder of any such bill of exchange, promissory note, cheque, or order for money or goods, for the amount thereof, unless the same is duly paid by the company.

Prospectus, &c., to specify certain contracts entered into by company, or be deemed fraudulent.

80. Every prospectus of the company, and every notice inviting persons to subscribe for shares in the company, shall specify the dates and the names of the persons to any contract entered into by the company or the promoters, directors or trustees thereof, before the issue of such prospectus or notice, whether subject to adoption by the directors or the company or otherwise; and every prospectus or notice which does not specify the same shall, with respect to any person who takes shares in the company on the faith of such prospectus or notice, and who has not had notice of such contract, be deemed fraudulent on the part of the promoters, directors and officers of the company who knowingly issue such prospectus or notice.

Company not to be liable in respect of trusts.

81. The company shall not be bound to see to the execution of any trust, whether express, implied or constructive, in respect of any share; and the receipt of the shareholder in whose name the same stands in the books of the company, shall be a valid and binding discharge to the company for any dividend or money payable in respect of such share, and whether or not notice of such trust has been given to the company; and the company shall not be bound to see to the application of the money paid upon such receipt.

Directors indemnified in suits, &c., against the company.

82. Every director of the company, and his heirs, executors and administrators, and estate and effects, respectively, may, with the consent of

the company, given at any general meeting thereof, from time to time, and at all times, be indemnified and saved harmless out of the funds of the company, from and against all costs, charges and expenses whatsoever which he sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against him, for or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by him, in or about the execution of the duties of his office; and also from and against all other costs, charges and expenses which he sustains or incurs, in or about, or in relation to the affairs thereof—except such costs, charges or expenses as are occasioned by his own wilful neglect or default.

Except by their own neglect or default.

83. The charter of the company shall be forfeited by non-user during three consecutive years, or if the company does not go into actual operation within three years after it is granted.

Forfeiture of charter for non-user.

84. The Governor in Council may, from time to time, establish, alter and regulate the tariff of the fees to be paid on application for letters patent and supplementary letters patent under this Act, may designate the department or departments through which the issue thereof shall take place, and may prescribe the forms of proceeding and registration in respect thereof, and all other matters requisite for carrying out the objects of this Act:

Fees on letters patent, &c., to be fixed by Governor in Council.

2. The amount of the fees may be varied according to the nature of the company, the amount of the capital stock and other particulars as the Governor in Council thinks fit:

Amount of fees may be varied.

3. No steps shall be taken in any department towards the issue of any letters patent or supplementary letters patent under this Act, until after all fees therefor are duly paid.

Must be paid before action is taken

85. The directors of every company shall lay before its shareholders a full printed statement of the affairs and financial position of the company at or before each general meeting of the company for the election of directors.

Full statement of affairs at each meeting for elections.

SCHEDULE.

FORM A.

Public notice is hereby given that under "*The Companies Act*" letters patent have been issued under the Great Seal of Canada, bearing date the _____ day of _____ incorporating [*here state names, address and calling of each incorporator named in the letters patent*], for the purpose of [*here state the undertaking of the Company, as set forth in the letters patent*], by the name of [*here state the name of the Company; as in the letters patent*] with a total capital stock of _____ dollars divided into _____ shares of _____ dollars.

Dated at the office of the Secretary of State of Canada,
this _____ day of _____ 18.

A.B.
Secretary.

FORM B.

Public notice is hereby given, that under "*The Companies Act*" supplementary letters patent have been issued under the Great Seal of Canada, bearing date the _____ day of _____, whereby the undertaking of the Company has been extended to include [*here set out the other purposes or objects mentioned in the supplementary letters patent*].

Dated at the office of the Secretary of State of Canada
this _____ day of _____ 18.

A.B.
Secretary.

FORM C.

Public notice is hereby given, that under "*The Companies Act*" supplementary letters patent have been issued under the Great Seal of Canada, bearing date the _____

day of _____ whereby the total
capital stock of [here state the name of the Company] is in-
creased [or reduced, as the case may be] from
dollars to _____ dollars.

Dated at the office of the Secretary of State of Canada
this _____ day of _____ 18 .

A.B.
Secretary.

Instructions for Forming a Company Under the Dominion Act.

EXTRACTS from the Act Cap. 119 Revised Statutes of Canada, containing the forms of proceeding and record prescribed by the said Act, in reference to the issuing of Letters Patent.

Notice to be given in the "Canada Gazette," and what it shall contain.—4. The applicants for such letters patent must give at least one month's previous notice in the *Canada Gazette*, of their intention to apply for the same, stating therein :

Name.—(1.) The proposed corporate name of the Company, which shall not be that of any other known company, incorporated or unincorporated, or any name liable to be confounded therewith, or otherwise on public grounds objectionable ;

Purposes.—(2.) The purposes within the purview of this Act, for which its incorporation is sought ;

Chief place of business.—(3.) The place within the Dominion of Canada, which is to be its chief place of business ;

Capital.—(4.) The intended amount of its capital stock, which, in the case of a Loan Company, shall not be less than one hundred thousand dollars ;

Shares.—(5) The number of shares and amount of each share.

Names, etc., of applicants.—(6.) The names in full and the address and calling of each of the applicants, with special mention of the names of not less than three nor more than fifteen of their number, who are to be the first or Provisional Directors of the Company, and the major part of whom must be resident in Canada.

Petition for letters patent.—5. At any time, not more than one month after the last publication of such notice, the applicants may petition the Governor-General, through the Secretary of State of Canada, for the issue of such letters patent ;

What it shall contain.—(2.) Such petition must recite the facts set forth in the notice, and must further state the amount of stock taken by each applicant, and also the amount paid in upon the stock of each applicant, and the manner in which the same has been paid in, and is held for the Company ;

A certain amount of stock must be taken.—(3.) The aggregate of the stock so taken must be at least the one-half of the total amount of the stock of the Company ;

And a certain amount paid up thereon.—(4.) The aggregate so paid in thereon must, if the Company be not a Loan Company, be at least ten per cent. thereof ; if the Company be a Loan Company the aggregate so paid in thereon must be at least ten per cent. thereof, and must not be less than one hundred thousand dollars.

Disposal of amount paid up.—(5) Such aggregate must have been paid in to the credit of the Company, or of trustees therefor, and must be standing at such credit in some chartered bank or banks in Canada, unless the object of the Company is one requiring that it should own real estate,—in which case any part not more than one-half of such aggregate may be taken as being paid in, if *bona fide* invested in real estate suitable to such object, duly held by trustees for the Company, and being of the required value over and above all incumbrances thereon.

Certain provisions may be inserted in patent.—(6.) The petition may ask for the embodying in the letters patent of any provision which under this Act might be made by by-law of the Company incorporated ; and such provision so embodied shall not, unless provision to the contrary be made in the letters patent, be subject to repeal or alteration by by-law.

Preliminary conditions to be established—Proof of facts asserted.—

6. Before the letters patent are issued, the applicants must establish to the satisfaction of the Secretary of State, or of such other officer as may be charged by the Governor in Council to report thereon, the sufficiency of their notice and petition, and the truth and sufficiency of the facts therein set forth, and that the proposed name is not the name of any other known incorporated or unincorporated Company ; and to that end, the Secretary of State, or such other officer, shall take and keep of record any requisite evidence in writing, by oath or affirmation, or by solemn declaration.

Fees must be paid before action taken.—(3.) No step shall be taken in any department towards the issue of any letters patent or supplementary letters patent under this Act, until after the amount of all fees therefor shall have been duly paid.

Copies of certain notices to be published by the Company in local paper.—A copy of every notice of issue of letters patent or sup-

plementary letters patent which, under the provisions of this Act, the Secretary of State is required to insert in the *Canada Gazette*, shall forthwith, after such insertion, be, by the Company to which such notice relates, inserted on four several occasions in at least one newspaper in the county, city or place where the head office or chief agency is established."

The following is the schedule of Fees payable under the 84th section of the said Act :

"1. When the proposed Capital Stock of the company is \$500,000 or upwards, the fee to be \$200.

2. When the proposed Capital Stock is \$200,000 or upwards and less than \$500,000, \$150.

3. When the proposed Capital Stock is \$100,000 or upwards and less than \$200,000, \$100.

4. When the proposed Capital Stock is less than \$100,000, \$50.

5. When the proposed Capital Stock is \$40,000 or less than \$40,000, \$30.

On application for Supplementary Letters Patent the fee to be one-half of that charged on the Original Letters Patent."

All fees must be paid in cash or by an accepted cheque made payable to the order of the Honorable the Secretary of State, and must be transmitted to him by Registered Letter.

G. POWELL,

Under Secretary of State.

Department of the

Secretary of State,

Ottawa, 12th October, 1883.

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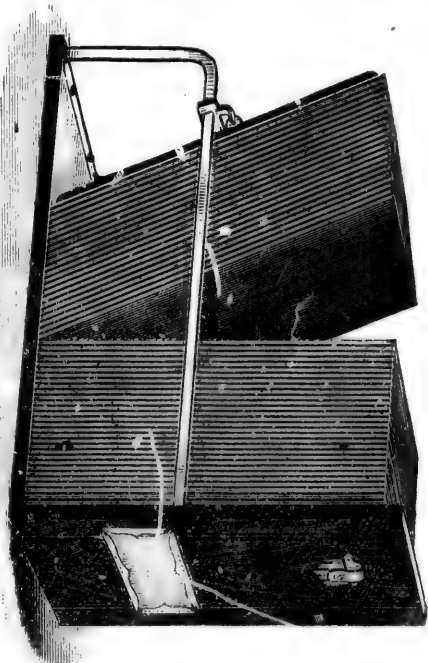
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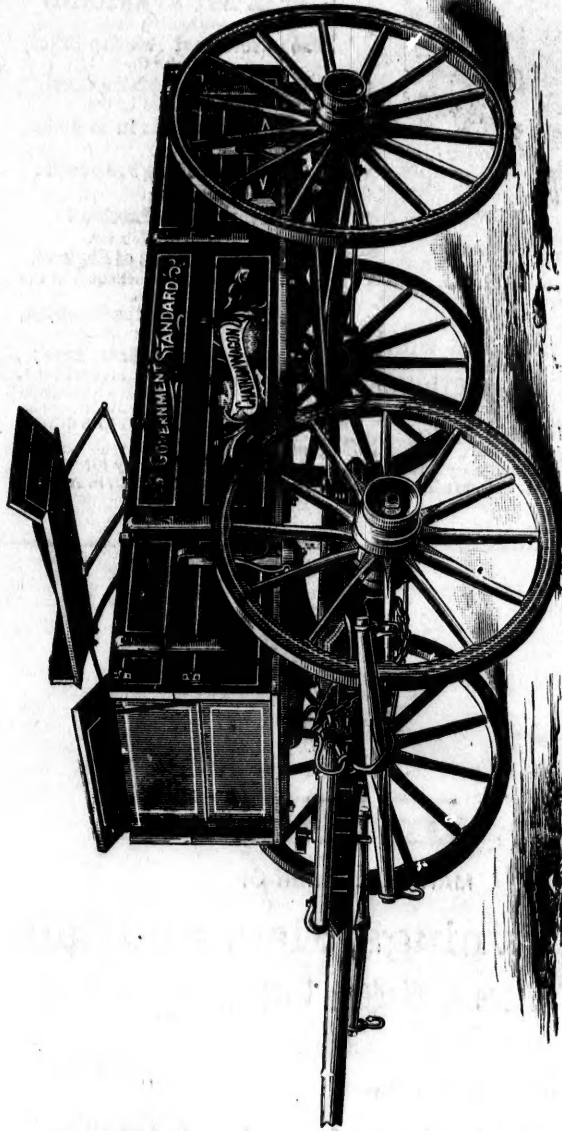
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